

TODAY'S WEATHER FORECAST - PARIS: 10-15, cloudy, occasional rain. Tomorrow: 12-18, sunny. Wednesday: 10-16, sunny. Thursday: 10-16, sunny. Friday: 10-16, sunny. Saturday: 10-16, sunny. Sunday: 10-16, sunny.

London	10-15	Paris	10-15
Brussels	10-15	Frankfurt	10-15
Amsterdam	10-15	Berlin	10-15
Geneva	10-15	Zurich	10-15
Basel	10-15	St. Gallen	10-15
Lucerne	10-15	Appenzel	10-15
Basel	10-15	St. Gallen	10-15
Lucerne	10-15	Appenzel	10-15

Syrian Infiltration Sets Off 20th Day Of Golan Clashes

TEL AVIV, March 31 (AP)—Israeli forces today repelled the first attempted Syrian infiltration of the Golan Heights since the October war. The military command reported that the Syrian forces were repelled after a brief battle.

Dayan: Cuban, North Korean Troops in Syria

WASHINGTON, March 31 (AP)—Israeli Defense Minister Moshe Dayan said today that he believed Cuban and North Korean troops were in Syria. He said that the Syrian forces were repelled after a brief battle.

Dayan Takes Wild View of Cairo Actions

By Marilyn Berger
WASHINGTON, March 31 (AP)—Israeli Defense Minister Moshe Dayan said yesterday that he believed the Egyptian government was trying to shut off the flow of arms to the Syrian forces. He said that the Syrian forces were repelled after a brief battle.

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Henry Kissinger and Nancy Maginnes in a 1973 photo.

In Civil Ceremony Kissinger, Nancy Maginnes Wed Secretly, Go to Mexico

WASHINGTON, March 31 (AP)—Secretary of State Henry Kissinger married his frequent companion, Nancy Maginnes, yesterday in a civil ceremony that was kept secret as his diplomatic negotiations.

The couple boarded the private jet of former New York Gov. Nelson Rockefeller immediately after the wedding for a flight to Acapulco, Mexico, where they are expected to stay 10 days.

The ceremony, which was held in a private home in Washington, was attended by a small group of friends and family.

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Ford Calls On GOP to Reject Nixon's '72 Campaign Tactics

Opposes Use Of Outside Committees

By Lou Cannon

CHICAGO, March 31 (AP)—Vice President Ford yesterday described President Nixon's 1972 re-election committee as an "arrogant, elite guard of political adolescents" and called upon Republican candidates to pledge never again to use "outside committees" in their campaigns.

More than 1,000 Midwestern Republicans, led by Illinois Sen. Charles Percy, gave Mr. Ford a tumultuous ovation as he called upon Republicans to learn "the political lesson of Watergate."

Mr. Ford called upon the GOP to insist that all potential presidential candidates for 1976—he mentioned Sen. Percy, Nelson Rockefeller, California Gov. Ronald Reagan and John Connally—as examples—work within the party structure and "sign in advance on the dotted line that they will not set up outside committees without the specific approval of the party itself."

The theme of this 13-state Republican conference is "Looking Forward." It appeared from the tone and content of many of the speeches that Republicans are doing this without including Mr. Nixon in their plans.

Sen. Percy predicted that the House would impeach Mr. Nixon. He said the White House itself was responsible for the trend toward impeachment because the President has asked for a quick resolution of the issue while his attorneys are doing "everything conceivable" to delay it.

That contradiction has not escaped the Congress, Sen. Percy said. "It has not escaped the American people."

The mood of disavowal from the White House was so complete in the morning session here yesterday that a woman delegate wearing a 1972 Nixon campaign button rose to ask why the speakers had said nothing about "our great President."

"I don't know why they haven't," replied Michigan State GOP Chairman William McLaughlin, who afterward called the Vice President's speech "the best talk I ever heard Ford give."

However, presidential loyalists gained some measure of reassurance later in the day when former New York Gov. Rockefeller defended Mr. Nixon against "those who would push him out of office or force him to resign."

Mr. Rockefeller received an ovation when he declared: "Every man is entitled to a fair trial, even the President of the United States."

Reagan Backs Nixon
Gov. Reagan said last night he believed Mr. Nixon is innocent of any impeachable offense and should not resign from office.

"He said he was innocent and I believe him," Gov. Reagan said at a news conference before addressing the Republican gathering. He also said he did not agree with Conservative Sen. (Continued on Page 2, Col. 7)



REPUBLICAN RALLY—Vice-President Gerald Ford (center) being applauded by Republican National Chairman George Bush (left) and Sen. Charles Percy, R-Ill., in Chicago.

Senate-House Study Expected to Cite \$300,000

Nixon Said to Face Big Back Taxes

By Thomas J. Foley

WASHINGTON, March 31—The Joint Congressional Committee on Internal Revenue Taxation is expected to issue a report Wednesday finding that President Nixon owes between \$300,000 and \$400,000 in back taxes, sources close to the committee said Friday.

The sources also said the Internal Revenue Service is expected to assess Mr. Nixon for the back taxes shortly after the House-Senate committee report is made public.

When Mr. Nixon made public his finances in December, he asked the joint committee to study what he called two "controversies" on his 1959-1972 tax returns: a promise to abide by the committee's findings.

Then, early in January, the IRS announced it had reopened the returns for audit. Since then, the committee and the IRS have exchanged information in their parallel studies.

Evidence of Fraud
According to informed sources, the committee report is expected to include evidence of civil fraud in connection with the preparation of Mr. Nixon's returns. However, the committee report will not include any recommendations for pursuing the fraud on the grounds that this would be beyond its purview.

Sources close to the investigation said the IRS has had a criminal fraud investigation under way for several weeks. This does not necessarily mean, however, that the agency will recommend any criminal fraud prosecutions.

The IRS could push for civil fraud proceedings, which are not as difficult to prove as criminal fraud and which carry penalties of 50 percent of any back taxes owed. For example, a back-tax finding of \$100,000 would call for a total payment of \$150,000.

Nixon Brief Seen
Despite Mr. Nixon's statement that he would abide by the committee's findings, it has been learned that his tax attorneys have prepared a brief defending his tax returns for possible submission to the U.S. Tax Court. The Tax Court has jurisdiction over civil tax cases.

Rep. Wilbur Mills, D-Ark., vice chairman of the joint committee, said Mr. Nixon's lawyers had rejected suggestions that he voluntarily pay an additional tax. The two "controversies" Mr. Nixon asked the committee to look into involved his tax deductions—totaling \$400,000—for giving his pre-presidential official papers to the National Archives and his nonpayment of capital gains taxes for the 1970 sale of San Clemente property he had purchased 18 months earlier.

Diplomats' Warning in Brussels

New EEC Crisis Seen Today In Labor Bid on U.K.'s Status

By David Haworth

BRUSSELS, March 31 (AP)—The plans of the new Labor government in London for renegotiating the terms of Britain's European Economic Community membership, plans which Foreign Secretary James Callaghan will reveal in Luxembourg tomorrow, are expected by diplomats here to plunge the Common Market into a new state of crisis.

His speech, which is to be released simultaneously in London as a white paper, is thought to be general in its terms but threatening in tone and to carry the clear implication that Britain could leave the community if its partners did not give London satisfaction.

Such a threat could have profound implications for other EEC nations and will spoil the fragile honeymoon relationship which they have had with the Labor administration since it came to power.

There are indications here that Britain cannot take for granted the sympathy and assistance of the other member states. While every effort will be made to accommodate Britain, its eight EEC partners are not prepared to let the community be held to ransom by negotiations. The message is: The difficulties of Britain's minority government, deeply divided in its own ranks about the EEC, will not be allowed to compromise the Common Market's overall ambitions.

Two things are already causing some impatience in community circles. The first is Mr. Callaghan's "overnight discovery"—as one non-British diplomat put it—of a reference to Mr. Callaghan's declared intention to put bilateral relations between Britain and the United States on a better footing. Diplomats here regard such a drive now as irrelevant to British economic problems, as well as ill-timed.

Secondly, it is said that Britain will get no sympathy for any moves it might make to improve its trade relations with white Commonwealth nations, which (Continued on Page 2, Col. 7)

Moscow Standoff Described

Kissinger Special SALT Offer Said to Involve MIRV Curbs

By Leslie H. Gelb

WASHINGTON, March 31 (AP)—Administration officials report that Secretary of State Henry Kissinger told Soviet leaders in Moscow last week that, as part of a new agreement limiting offensive nuclear weapons, the United States would be prepared to halt further deployment of missiles with multiple warheads.

But, officials said, a condition was attached to this proposal involving weapons in which the United States has a decided lead over the Soviet Union. The condition was said to be that the Russians agree to limit their future deployment of such missiles.

However, this offer, which reportedly marked a departure from previous policy, did not achieve the breakthrough that Mr. Kissinger had hoped for during the three days of talks in Moscow.

The Soviet leaders, the U.S. officials said, did not want to accept any limits on their multiple-warhead program until they had caught up numerically with the United States in this field. The Russians also disagreed with the Americans, it was said, on what forces should be included in any permanent accord in limiting offensive nuclear arms.

Alternative Plan
Before Mr. Kissinger's trip to Moscow, it was reported that the administration had considered and rejected a plan either to ban multiple warheads—or MIRVs, the multiple independently targetable re-entry vehicles—or to ban their flight-testing.

There were reports of disagreement between Mr. Kissinger and Secretary of Defense James Schlesinger over how to deal with the threats from new, giant Soviet missiles.

Mr. Kissinger was said to be interested in preventing improvement of the accuracy of the multiple warheads on those missiles by banning their flight-testing. Mr. Schlesinger reportedly wanted to deal with the problem by limiting the throw-weight of these weapons.

Throw-weight is the amount that a missile can carry to a target; the greater a missile's throw-

Vesco Finds Security and Happiness in a Tropical Arcadia

By Laurence Stern

SAN JOSE, Costa Rica, March 31 (AP)—Robert Lee Vesco is living proof that a fugitive American tycoon can find happiness in a tropical Arcadia.

He is here with his family, his money and a burning sense of outrage at what is befalling his co-defendants, John Mitchell and Maurice Stans, in the New York courtroom from which Mr. Vesco has decided to distance himself.

"It is terribly frustrating to see the trial go on and not be participating," he said, holding a sheaf of news clippings on the proceedings. "Here's poor Mitchell and Stans and the President going through this terrible harassment. They don't deserve it."

But the frustrations are tolerable. Mr. Vesco lives in the security of his half-million-dollar home, surrounded by an eight-foot concrete wall, a swimming pool and an assortment of bodyguards.

Mr. Vesco and his millions have started a controversy in Costa Rica, reminiscent of the Watergate scandal at home. It centers on his financial dealings with the



Robert Vesco

country's diminutive, flamboyant President, Jose (Don Pepe) Figueres, whose business interests have been nourished with more than \$5.5 million from Vesco Associates.

There have been editorial outcries in the opposition press about the influence of Mr. Vesco's free-flowing wealth on Costa Rica's illiquid economy and its institutions.

Nonetheless, insists Mr. Vesco, "I wouldn't go back now if they granted me total immunity. Everybody is happier here—my wife, my children and myself. Otherwise I assure you I wouldn't be here."

He has beaten two extradition attempts by the U.S. government, one here and one in the Bahamas. Between the President, who styles himself as "an ADA liberal," and the expatriate American tycoon, a lifelong Republican, there has grown a bond of mutual admiration nurtured by Mr. Vesco's cash and Mr. Figueres's power to shield him from the U.S. marshals.

On March 21, the Figueres-controlled Legislative Assembly virtually guaranteed Mr. Vesco ex-

tradition-proof status by enacting a new law custom-tailored to Mr. Vesco's needs. Neither the howls in the press nor the student demonstrations it touched off could slow its passage.

"Morally we don't object to what Vesco did in helping Nixon," Mr. Figueres said during an interview in the Casa Presidencial, his modest official quarters.

What has turned public opinion in Costa Rica pro-Vesco is that we regard him as a co-victim with Nixon of political and journalistic forces in the United States.

Mr. Vesco reciprocates the sentiments of his host President. "Don Pepe," he declared, "is one of the world's great leaders. He is as honest as they come. But he's also one of the loudest businessmen in the world. He doesn't really care about money."

During a 45-minute interview, Mr. Vesco unburdened himself of bitter thoughts about the Watergate case, the plight of President Nixon, the grand jury system and the string of civil and criminal actions that drove him into exile. "Here is the President of the United States, whose any single decision could affect more than half a billion people," he said in tones of measured outrage. "...and some son-of-a-bitch is worried about the shrubs in front of his house."

The prosecutors in New York, he said, "ruined me all sorts of deals. But they wanted programmed testimony." I said I would be glad to tell them what I knew,

Historic Counties Will Vanish In British Local Reorganization

LONDON, March 31 (AP)—Some of England's most historic counties, whose boundaries date back almost a millennium, will disappear from maps under a reorganization of local government.

The counties—among them Rutland, Cumberland and Westmorland—are casualties of the 1972 Local Government Act for England and Wales, which becomes effective tomorrow.

The boundary reshuffle creates 432 streamlined councils to replace 1,366 local authorities, whose histories began in the Middle Ages.

"It's a sad day," said Peter Herrick, clerk of the council at Rutland, England's smallest county. "Rutland was a county in the reign of King John (1199-1216). We've had letters from all over the world backing us. But we just weren't big enough to survive."

Rutland County will be swallowed by Leicestershire to the east, but Rutland will remain the seat of one of the 359 smaller district councils created under the reorganization plan.

To Lower Prices for Political Gain Saudis Reportedly Authorize Aramco to Boost Production

By Jim Hoagland

RIYADH, Saudi Arabia, March 31 (UPI).—This country is using its immense petroleum production capability in a campaign to bring world oil prices down—a campaign in which it is authorizing the Arabian American Oil Co. (Aramco) to expand production to 11.3 million barrels of oil daily by the end of 1975.

The move is not being announced publicly because of the undercutting effect it would have on the restrictions that Arab oil-producing nations imposed on output in October as pressure for peace concessions by Israel.

But the decision to allow Aramco to go ahead with its ambitious expansion program for next year, reported by well-informed sources, indicates that senior Saudi policy-makers are most concerned at the moment over the political and economic consequences of an Iranian-led movement to push prices even higher.

While a large production increase by Saudi Arabia, the world's leading petroleum exporter, will significantly ease world shortages and neutralize much of the effect of the current production cutbacks, Saudi officials make it clear that they are not abandoning the use of oil as a political instrument in the Middle East conflict.

Leadership Role
In the view of some of these officials, production increases will maintain Saudi Arabia's leadership in oil affairs and heighten its long-term influence over U.S. policy.

This could bring Saudi Arabia into conflict with more militant Arab states and, because of the relationship between production levels and prices, create the first significant divisions within the Organization of Petroleum Exporting Countries (OPEC), where Iran and Algeria are pushing strongly to squeeze more money from oil consumers immediately.

With the lifting of the embargo against the United States, Saudi Arabia authorized Aramco to increase production immediately by 1,053,000 barrels a day, raising this country's total daily production to about 8.2 million barrels, on the pe-exchange level.

If Aramco, which has run into significant production problems in recent months because of loss of natural pressure in some fields, does reach 11.3 million barrels a day by the end of next year, the giant firm will be producing about 400,000 barrels a day less than it had projected before the October war brought the production restriction into play.

American policy planners had been counting on such an increase to boost Saudi production to 20 million barrels a day by the end of the decade in a crash program to meet the world's rapidly growing energy demands.

Production increases beyond 1975 were due to be discussed at an Aramco board of directors meeting in San Francisco this week. But the production discussions may be postponed because of Saudi reluctance to come to grips with a long-term production schedule until there is more progress on the price question and the Middle East peace effort.

Prince Saud al-Faisal, the deputy minister of petroleum, will not attend the meeting and it is still not clear if the Petroleum Minister, Sheikh Ahmed Zaki Yamani, will go to the meeting. The Saudi government has three seats on the board and lower level officials may attend.

Both Sheikh Yamani and Prince Faisal will be in the United States in April, however. The sheikh said here last week that there would be no negotiations in the United States now on the other major issue confronting Aramco—Saudi Arabia's desire to increase its ownership of the company from 25 to more than 51 percent.

In an interview here, Prince Faisal, one of the most articulate and authoritative spokesmen for the government of his father, King Faisal, described Saudi Arabia's concern over the juxtaposition of the oil embargo and production cuts with the sharp rise in wholesale oil prices that producing countries charge oil importers.

"From our point of view, the price rise should not come at the same time. We wanted to bring about a concentration of attention on the basic injustice of the Israeli question and to induce governments to act through the embargo and production restrictions."

"The aim was not to mix political as well as economic questions. We do not want any misinterpretation of the political goals."

The prince also expressed strong concern about the effect that the precipitous rise of prices, which has quadrupled in the last year, could have in pushing petroleum-importing countries to seek alternative sources of energy and on the international trade and financial systems.

"We do not want to drive prices up so high that our oil would finish" as an exportable commodity "in 10 years," he said. "We want to produce for 50 years" more.

"But more than that is involved, of course. We think a right price for oil is even higher than today's. But we do not think it should be reached in six months' time. This could turn against us if it harmed the economies of the oil-importing nations."

Despite the potential for conflict within OPEC on the price issue, industry analysts caution that Saudi Arabia is not likely to take any drastic steps to reduce oil prices if it cannot win other Arab producers over to its position.

Dayan Takes Mild View of Cairo Actions

Sees No Intention
To Abuse Accords

(Continued from Page 1)

Simcha Dinitz, that the next step after a Syrian disengagement would be further movement on the Egyptian front. This coincides with a report from Israel that the government's chief spokesman, Shimon Peres, said that Israel's main objective in the Syrian discussions is to make it possible to move toward peace negotiations with Egypt.

Sadat, Tito in Statement

CAIRO, March 31 (Reuters).—President Anwar Sadat of Egypt and Yugoslavia's President Tito have asserted in a joint communique that only a full Israeli withdrawal from Arab territory and restoration of the Palestinians' rights could achieve a lasting settlement in the Middle East.

The communique was issued yesterday at the end of three days of talks between the two presidents on Brioni Island, and it appeared to indicate agreement on most of the topics discussed.

But it was significant that it made no reference to the role of the two superpowers as co-guarantors of recent United Nations resolutions and as co-authors of the Geneva peace conference.

Instead, the communique stressed the role of the UN and said the solution should be based on the UN resolutions and within their framework.

**Syrian Push
Seen in Golan**

(Continued from Page 1)

It had at the outbreak of the war, "thanks to American aid, Israeli arms industry and captured equipment."

Alexandria, Jordan and Israel have started withdrawing their troops from the Jordan River front as part of a joint plan for the disengagement of their armies, the Cairo news magazine *Rose El Youssef* said today.

It said Jordanian forces withdrew east of the river and the Israeli west of it, but both sides are keeping taken army and police forces along the waterway.

The magazine said the joint Jordanian-Israeli plan calls for granting the Palestinians self-rule in the Jordan West Bank and the Gaza Strip, while linking the two territories to Jordan in a federation. The plan also calls for keeping Jerusalem unified, and setting up two Palestinian and Israeli administrations for it, the magazine said in an unconfirmed report.

**Religious Party
Votes to Remain
In Meir Coalition**

TEL AVIV, March 31 (UPI).—Premier Golda Meir's major coalition partner, the National Religious Party, averted a government crisis today by voting not to walk out of her government, which was formed almost a month ago.

The NRP's Central Committee voted, 298-198, at the end of a stormy daylong meeting to stay in the coalition.

Members of the Young Guard Movement within the NRP opposed the party's participation in the government with Mrs. Meir's Labor party.

The NRP had refused to join the government last month unless Mrs. Meir supported its bid for legislation to define who is a Jew. Mrs. Meir refused and decided to set up a minority government; then, the NRP joined the coalition.

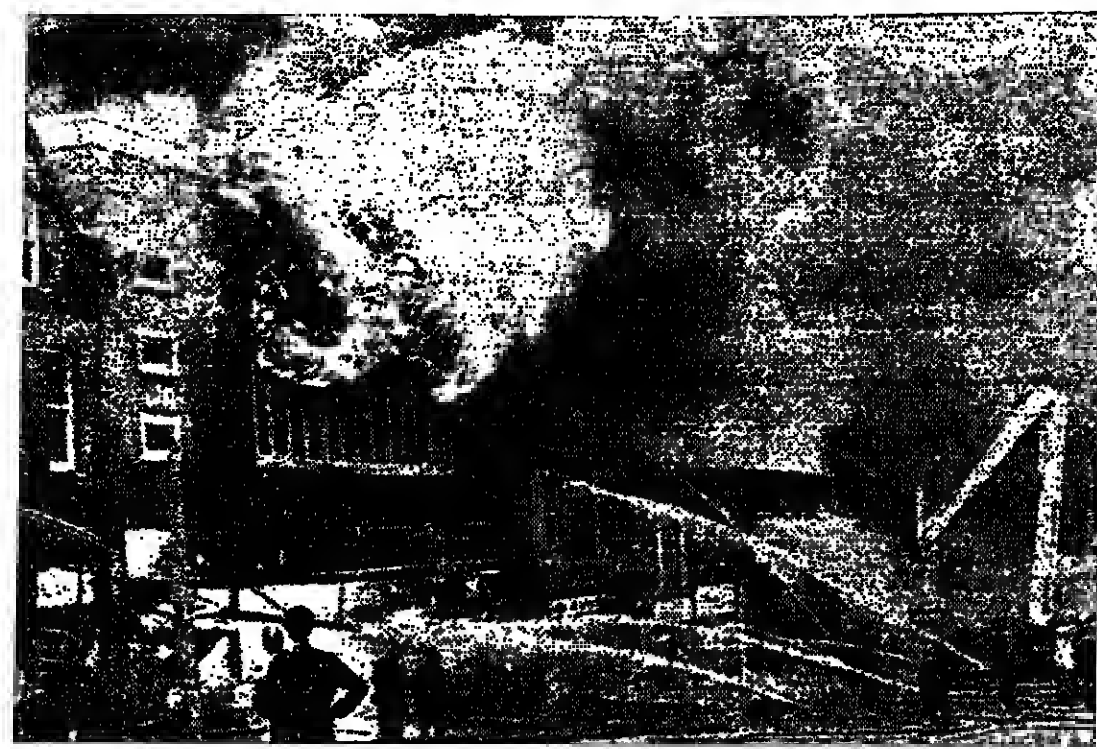
The bodyguards, all trained marines, would operate under the control of Scotland Yard, a spokesman said.

**U.K. Recruiting
Bodyguard Unit**

LONDON, March 31 (Reuters).—Scotland Yard has started recruiting a special police unit to protect royalty, top politicians and visiting heads of state as part of a major security overhaul following the unsuccessful kidnapping attempt against Princess Anne earlier this month.

The appeal for volunteers to form the new armed squad went out on Friday night to members of London's metropolitan police force.

The bodyguards, all trained marines, would operate under the control of Scotland Yard, a spokesman said.



Burning buildings in Northern Irish town of Bangor caused by Provisional IRA bombs.

In Civil Ceremony Kissinger, Nancy Maginnes Wed Secretly, Go to Mexico

(Continued from Page 1)

operation began—a secret luncheon, an undercover departure to Arlington and the ride to the airport for the Acapulco flight.

Mr. Kissinger gave the luncheon for close relatives of him and Miss Maginnes, along with close aides. Among others, the ceremony was attended by Miss Maginnes's mother and brother, David; Mr. Kissinger's brother, Walter, and his wife; Mr. Kissinger's two children from his previous marriage, Elizabeth, 15, and David, 12, and Carlyle Maw, the State Department legal adviser.

It was the first marriage for Miss Maginnes; Mr. Kissinger's first marriage to Ann Fleischer ended in divorce in 1964, after 15 years.

The secretary of state had been

seen during the last few years with many beautiful women, including actresses Jill St. John and Mario Thomas. But Miss Maginnes, of New York, had been his steady woman companion, especially since he assumed his State Department post in September.

In Chicago, Mr. Rockefeller said, "The last time he [Mr. Kissinger] commented about when he might get married again, he said that—based on the amount of time he was spending with him—he guessed he'd have to get married to Joe Sisco." Mr. Sisco is a State Department official.

Miss Maginnes, unlike her husband, is known to despise publicity. She has become infatuated with reporters who have asked questions about her relationship with him.

Along with the rumors that they might marry, there had been speculation that Miss Maginnes's mother would not approve of her daughter, a Protestant, marrying a Jew, and similar suggestions concerning the nonapproval by Mr. Kissinger's parents. Mr. Kissinger's parents did not attend the ceremony and no explanation was given.

The couple were met in Acapulco last night by a Mexican Foreign Ministry official and immediately taken to "La Sirena"—a villa owned by the secretary of state's long-time friend, millionaire Esteban Escandon. Mr. Kissinger has vacationed there before and special communications, including "hot-line" telephones, were installed as permanent fixtures for liaison with Washington.

The Mexican official, Jaime Peca Vera, said that Mrs. Kissinger told him, "I am very glad to be in Acapulco because it is one of my husband's favorite places. Even though this is my first visit, I know it will not be my last."

Two Acapulco policemen guarded the gate at the villa, which overlooks the point at which Acapulco Bay joins the Pacific Ocean.

**Israel Returns Body
Of Relative of Sadat**

TEL AVIV, March 31 (Reuters).—Israel returned the body of Egyptian President Anwar Sadat's step-brother, an air force pilot, who was killed during the October Middle East war, to Egypt last week, military sources said here today.

They said the body of Adel Sadat was discovered and identified during Israeli searches for war dead. He was killed during a mission over the Bir Gafgia area in central Sinai, the sources added.

Parleys Held On Security In N. Ireland

BELFAST, March 31 (Reuters).—Military and police chiefs were summoned today to top-level security talks here as political activity over Northern Ireland increased on both sides of the Irish Sea.

After a weekend in which five persons were killed, Stanley Orme, minister of state for Northern Ireland, arrived from London.

Mr. Orme, who was returning to London later today, called army and police chiefs to Stormont Castle, the legislature headquarters, for talks on the security situation. There were reports from London that the government intends to reduce steadily the number of British troops in the province, regardless of whether the violence diminishes.

In London, meanwhile, Prime Minister Harold Wilson conferred with his Northern Ireland troubleshooter, Merlyn Rees, for the second time in fewer than 24 hours. They met in Leeds in the North of England last night, where Mr. Rees reported on the latest situation here.

All ministers in the new government concerned with Northern Ireland were scheduled to meet at the prime minister's London office tomorrow for discussions.

The Sunday Times of London said there are 15,500 British soldiers in Northern Ireland and that the number was likely to be reduced to 12,000, at most, during the next five years.

The reduction would presumably continue toward the garrison strength of 2,500 before the British Army intervened in August, 1969, the newspaper speculated.

"Dangerous Job"
Defense Secretary Roy Mason was reported to have said after a day's visit here last week that the troops were doing an onerous, punishing and dangerous job and should not have to do it any longer than necessary.

Ministers in the Labor government were returning to the doctrine that there was an "acceptable level of violence" in the province, which was higher than elsewhere in Britain, the newspaper added.

The political activity began after a surge of violence followed threats by the Provisional wing of the Irish Republican Army to intensify its operations against British forces. Activities of the Protestant extremists also appeared to have been stepped up.

The toll of weekend violence was five dead—one of them apparently the victim of an execution squad—and more than 20 wounded.

**U.S. Seen Set
To Curb MIRV**

(Continued from Page 1)
launched missiles. Long-range bombers of which Washington now has 496 and Moscow 140, were not included. Nor did the agreement encompass MIRVs, which the Russians began testing in August and could begin deploying in a year.

Administration officials reported that last week's American proposal in Moscow, designed to advance the current SALT talks, also called for:

- Equalizing the total throw-weight or lifting power of the multiple-warhead missiles of both sides.
- No limits on the payloads of long-range bombers or missiles without MIRVs.
- Equalizing the number of missiles and strategic bombers on both sides.

Officials described Mr. Kissinger as disappointed with his Moscow talks because the Russians reportedly said that account should be taken of other forces, such as U.S. tactical aircraft in and around Europe, British nuclear submarines, French nuclear-armed aircraft and even Chinese medium-range missiles.

They say that, while this might suit the Labor government's anti-marketplace, it could have bitter consequences both for Britain and its eight partners. "The French have been ominously quiet during the last few weeks—something which makes the other member countries uneasy. The French attitude during the renegotiations, diplomats here say, will be crucial."

Aides Were 'Arrogant... Adolescents' Ford Calls On GOP to Reject Nixon's '72 Campaign Tactics

(Continued from Page 1)

James Buckley of New York, who called for Mr. Nixon's resignation. "Buckley is not speaking for conservatives because no one has rushed to join him," Gov. Reagan said.

"The problem of our party is divisiveness brought on by Watergate," the governor said.

But it was Mr. Ford who touched the deepest emotional chord at this Republican leadership conference.

"Never again must Americans allow an arrogant, elite guard of political adolescents like CREEP to bypass the regular Republican party organization," he said. "It is we, not they, who should dictate the terms of a national election."

"CREEP" is the unflattering acronym for the Committee for the Re-Election of the President that often has been used by Mr. Nixon's political opponents. The official abbreviation, and the one always used by White House spokesmen, is "COREP."

In a direct criticism of the re-election strategy devised by Mr. Nixon, Mr. Ford said that the "political failure of CREEP was a failure to reinforce the President's impressive victory with congressional victories. The Nixon strategy was based on the belief that the President was more popular than his party and that he could carry other Republicans to victory by campaigning on his own achievements."

Historic Concept
"The fatal defect of CREEP was that it made its own rules and thereby made its own ruin," Mr. Ford said. "It violated the historic concept of the two-party system in America and it ran literally roughshod over the seasoned political judgment and the regular Republican party organization in all of our 50 states."

"Our great national parties evolved along the same basic grass-roots pattern of widely shared responsibility and local self-determination," the Vice President continued. "The party recruits and trains and nurtures candidates and rewards some with higher office. The party allows for the participation of rank-and-file citizens—and forges party principles from the very broad spectrum of opinions and goals."

An unspoken corollary of this belief is the growing expectation that Mr. Nixon might be out of office by November.

The Democrats have a bum record in Congress," a prominent GOP official said. "If you take away the Nixon issue and Ford is president, they won't have all that much going for them in November."

Michigan Republicans were buoyed by the privately circulated results of a poll taken by the Public Opinion Research organization, which showed GOP nominee James Shroyer within striking distance of Democrat Robert Traxler in a special election in the Eighth Congressional District on April 15. The district, which includes the Saginaw-Ray-Bayview City area and four suburban-rural counties, has voted solidly Republican except during the depths of the Depression.

However, Republicans are now regarded as the underdogs of the special election because of the Watergate issue and high unemployment.

**New Crisis
In EEC Seen**

(Continued from Page 1)
seen to the EEC to need no special assistance from the community.

Peter Shore, Britain's trade minister and one of the leading "hawks" against Britain's EEC membership, who visited Brussels last week, was involved in a heated exchange about the community's implications for the Common Agricultural Policy will also be high on Britain's renegotiation checklist—an issue which will bring the country into direct conflict with the other members. The British feel that they are paying too much under the present system, which, they claim, excludes imports of cheaper food into Britain from non-EEC countries.

Budget Matter
Mr. Callaghan is expected to ask the British contributions to the EEC budget be reduced or that more funds be paid back to Britain during the next few years.

Unless the foreign secretary trends carefully in presenting these "complaints," Britain could become engaged in a major row with its EEC partners, according to Community officials.

They say that, while this might suit the Labor government's anti-marketplace, it could have bitter consequences both for Britain and its eight partners. "The French have been ominously quiet during the last few weeks—something which makes the other member countries uneasy. The French attitude during the renegotiations, diplomats here say, will be crucial."

Mr. Figueres describes Mr. Vesco as "mellowing" in his third year as Costa Rica's richest and most controversial guest. "He's less defensive and less aggressive," he said. "Maybe he has a sense of security now."

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playment in Saginaw's General Motors plants.

Accompanying the mood that prevailed here and, perhaps, derived from it, was a resurgent optimism that Republicans can turn the tables on the Democrats in the November elections despite a string of Democratic special-election victories.

But in a Friday-night speech, Sen. Percy discussed the Republican outlook in sober terms, saying that the party was faced with the short-range problem of the President's position and the long-term problem of perennial minority status.

"Our immediate problem, of course, is that the leader of our party, the President of the United States, is in danger of being forced from office," Sen. Percy said. "We must make it unmistakably clear that Watergate does not represent the traditional values and beliefs of the Republican party. Let us prove to America that our party's commitment to law and order process is not an empty promise."

**Vesco Finds
A New Life
In Costa Rica**

(Continued from Page 1)
Cristobal, S.A. The year, according to the company, the San Cristobal suffered a net loss of \$1,686,000 on gross sales of \$10,000,000.

In addition, Mr. Figueres, York bank account grew by more than \$300,000 after the loan to San Cristobal was repaid, chiefly as the result of a series of deposits made in order of a Bahamas bank figured centrally in Mr. Vesco's financial maneuvering.

Mr. Figueres, a slightly legged man with a rugged face, said that he had been in Costa Rica for some time, ready to leave, but that he had decided to stay. He said that he had been in Costa Rica for some time, ready to leave, but that he had decided to stay.

The President, who was a favorite of the Kennedy administration in the Alliance for Progress, has dominated Costa Rican political scene. He took power in 1948.

But a bannished foreigner, Vesco, seemed him as a "character more in the mold of 19th-century Jeffersonianism than a 20th-century mass specialist." The 11,000-acre San Cristobal complex is an active of enterprises, all carried out according to Don Pepe's notions, from prefabricated living panels to free nurseries.

Mr. Vesco's financial hand is detected here in a mass communications conglomerate, which will include a new morning newspaper, *Excelsior*, an afternoon newspaper, *La Hora*, television stations and two radio stations. Mr. Figueres maintains that he and a group of "known" Costa Rican citizens own all of the \$20,000 or so Class A voting stock.

The catch is that the transaction is issuing \$3 million in voting common stock. The money is believed to have been poured into the Costa Rican major daily, *Nacion*, has been mostly credited to Mr. Figueres, chiefly for relationship with Mr. Vesco, young editor, Guido Fernandez, says the newspaper's feeling that Mr. Vesco's wealth is so vast that it is bound to distort economic and political process of the country.

"He is reported to have brought some \$60 million with him to Costa Rica," he said. "That's enough to operate our nation's government for a quarter of a year."

Through all the squalls of controversy, political friends and business associates portray Mr. Vesco as a model citizen, whose first thoughts are for family and home.

He gave \$50,000 to the Costa Rican Symphony. He helps three children with their homework and drives them to school. His technical status that of a "pensioner," a status that confers tax exemptions on car and household goods to foreigners, with income of more than \$400 a month.

Mr. Vesco's principal current interest outside of business is the financing of a new plan for the Country Day School, a private run institution attended mainly by children of the U.S. embassy. His interest in supporting the school and a new special learning program stems from the learning disability of one of his children.

The financier is improbably linked in this venture with middle-aged Quaker couple, Robert and Marion Baker, who left the United States in 1961 for reasons of political conscience.

Once when a parent complained about the unseemliness of Mr. Vesco's involvement in the school, Mrs. Baker retorted the remark of a Methodist minister in Kansas who began a Sunday school with money donated by a bootlegger.

"The money," she quoted, "may have come from the devil, but now it's going to be used for the glory of God."

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Ehrlichman Shifts Lawyers, Hires Rebozo Counsel Frates

By Seymour M. Hersh

WASHINGTON, March 31 (UPI)—John Ehrlichman revealed yesterday that he has retained William Frates of Miami, an attorney closely associated with presidential confidant Charles (Bebe) Rebozo, to represent him in the pending Watergate cover-up trials.

In a statement issued from his Seattle home, Mr. Ehrlichman, a former domestic counselor to President Nixon, confirmed that he has dropped John Wilson of Washington and retained Mr. Frates because "I have concluded that it is important for me to have separate counsel."

Mr. Ehrlichman refused to an-

swer his statement. The New York Times reported yesterday that Mr. Wilson, former White House chief of staff, who will continue to represent H.R. Haldeman, had been dropped by Mr. Ehrlichman because of what sources close to the matter depicted as an inevitable conflict of interest.

The sources emphasized that Mr. Ehrlichman's decision—which brought to an end Mr. Wilson's unique role as the attorney for the two highest White House aides implicated in the Watergate scandal—did not represent any significant change in attitude on the former domestic adviser's part toward Mr. Haldeman or President Nixon.

Lawyer 'Admired'

Mr. Ehrlichman was also reportedly reported to have known Mr. Frates for "a long time"—as an Ehrlichman associate put it—and also to "have admired him as a trial lawyer."

Most recently, he has been representing Mr. Rebozo during his appearances before the Senate Watergate committee in connection with a \$100,000 cash contribution to Mr. Nixon's re-election campaign from billionaire Howard Hughes.

Closely involved official, told of Mr. Ehrlichman's decision to hire Mr. Frates, raised the question of whether the Miami attorney might also face a conflict-of-interest problem because of his involvement with Mr. Rebozo.

"There's no question that Mr. Ehrlichman had some relation to the Rebozo funds," the source of official said, "to the extent that he discussed them at one time or another."

The official said that Mr. Ehrlichman has told the Senate committee that he had authorized Herbert Kalmbach, Mr. Nixon's former personal attorney who was involved in campaign fund-raising, to inquire among Mr. Hughes's associates in Las Vegas about the cash.

44% for Kennedy As Democratic Choice for 1976

PRINCETON, N.J., March 31 (UPI)—Despite his "noncandidate" status at this time, Sen. Edward Kennedy leads a field of prospective candidates for the 1976 Democratic nomination by a wide margin.

The Massachusetts senator is preferred by 44 percent of rank-and-file Democrats questioned in the most recent Gallup poll. This is more than twice the support given the man named next most often, Gov. George Wallace of Alabama, who won 17 percent of the vote.

A Gallup survey in November, 1973, showed Sen. Kennedy with a similar lead over an identical field of potential Democratic candidates. At that time, he received 41 percent of the vote compared to Gov. Wallace's 15 percent.

In the current survey, Sen. Henry Jackson of Washington is third with 8 percent followed by Sen. Edmund Muskie of Maine and Sen. George McGovern of South Dakota, both with 7 percent.

Convict Urges SLA Friends To Hold Talks With Hearst

HILLSBOROUGH, Calif., March 31 (AP)—A convict who claims to be a friend of Symphonie Liberation Army members urged the terrorist group yesterday to begin immediate negotiations for the release of Patricia Hearst.

Newspaper executive Randolph Hearst, father of the 20-year-old girl who was kidnapped 56 days ago, issued a statement from the convict, identified as Clifford Jefferson, a convicted murderer.

Mr. Hearst said he, a lawyer, a number, FBI agent Charles Bates and State Prison Director Raymond Procunier had met with

Jefferson four times during the last 10 days at the California Medical Facility at Vacaville, where Jefferson is imprisoned.

"It would be for the best interest of the poor and oppressed people to start negotiations as soon as possible with Randolph Hearst to release the prisoner of war Patricia Hearst," the prisoner's statement said.

Prison Meeting

Jefferson, who has been in prison for 28 of his 48 years, said he met on Feb. 21 in the prison with two alleged SLA members and that he was a comrade of the group, which authorities believe is heavily armed and consists of about 25 persons. The SLA claims to have kidnapped Miss Hearst on Feb. 4 and to be holding her as a "prisoner of war."

Of his talks with Jefferson, Mr. Hearst said: "What we discussed basically centered around the possible release of Patricia and what negotiations and promises could bring about. Mr. Jefferson decided to issue a statement that, in effect, requests the SLA to start meaningful negotiations for the release of Patty."

Jefferson's statement, which was turned over to Mr. Hearst at Vacaville on Friday morning, said to the SLA: "You brothers and sisters are truly soldiers of the people and are more beautiful than life itself to me."

Jefferson expressed his "solidarity" with a recent letter from Joseph Remiro, 27, and Russell Little, 24, the two alleged SLA members who are charged with the Nov. 6 murder of Oakland Schools Superintendent Marcus Foster. Jefferson said it was they whom he met Feb. 21. Their letter expressed the belief that Miss Hearst would soon be released.

Tass Plumbs The Depths On Streaking

MOSCOW, March 31 (UPI)—Tass news agency has defined streaking as a protest against what it called the dullness and aimlessness of capitalist society.

"It is hardly possible to shrug off streakers as guileless pranksters," Tass said in the first Soviet comment on streaking. "After all, the hippie movement also was treated as a fad at first."

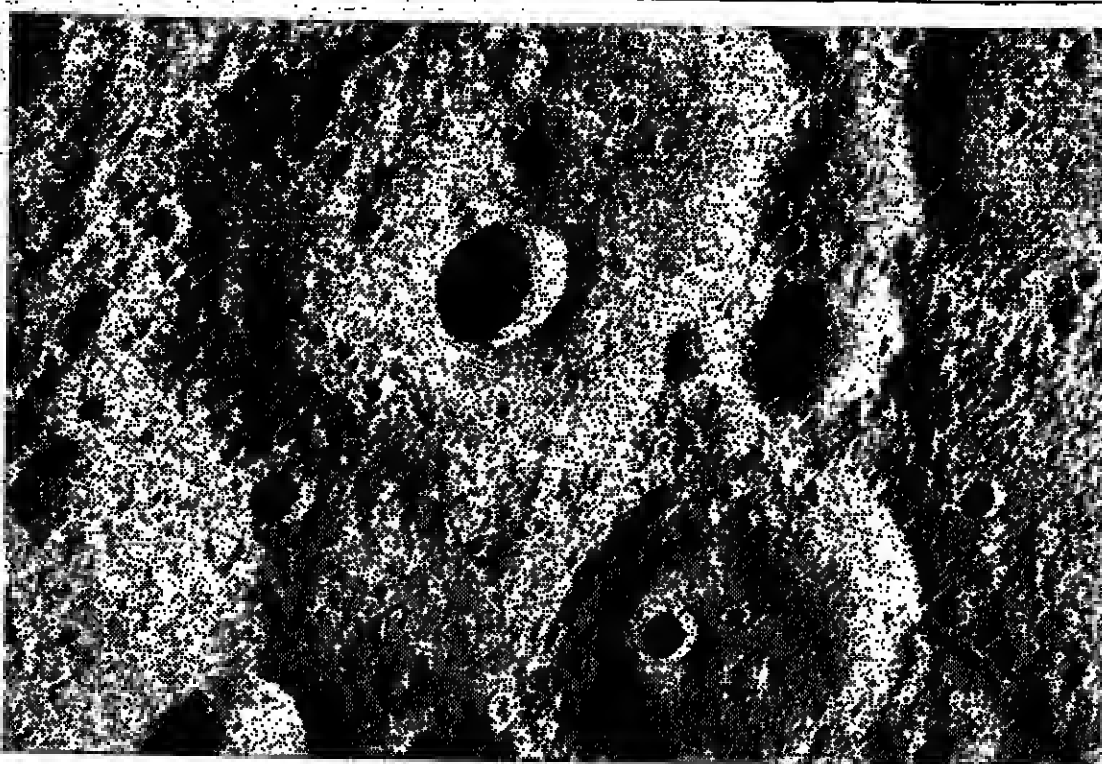
"It is quite possible that streaking is just a passing phenomenon," Tass conceded. "But it has obviously originated as a fresh protest against dullness and against the mainstays of capitalist society, which prevent a harmonious expression of personality."

Nixon Appoints Texan As Chief of Protocol

KEY BISCAYNE, Fla., March 31 (AP)—President Nixon appointed Texas Republican Henry Catto Jr. yesterday to be U.S. chief of protocol.

Mr. Catto, 43, will take over from Marion E. Smoak, who had waited 18 months for the full title of protocol chief. Mr. Smoak, 57, finally got the appointment last month and announced two weeks ago that he was going to resign and retire from the State Department. The White House said Mr. Smoak's resignation would be effective tomorrow.

Mr. Catto, a former Nixon-appointed ambassador to El Salvador, is the son-in-law of Mrs. Orville Culp Hobby, editor and chairman of the board of the Houston post and former secretary of health, education and welfare in the Eisenhower administration.



Called Press International

CLOSE-UP OF MERCURY—Latest photo of the planet Mercury from Mariner-10 TV cameras shows an arid moon-like surface covered with big and small craters. The one in the center of the picture is newer than the others and approximately seven miles wide.

Libya Seizes Total Assets Of Shell Oil

BEIRUT, March 31 (UPI)—Col. Moammar Qadhafi's regime yesterday ordered the 100 percent nationalization of the Libyan holdings of the Royal Dutch Shell group of oil firms, Tripoli Radio said. It said that a Libyan committee is to evaluate the holdings, apparently for compensation purposes.

Libyan Oil Minister Ezzedin Mahrouk said in an interview published here: "Our ultimate goal is to control our own oil, and, whenever we feel we can manage our own fields, we won't hesitate to do so."

The nationalization coincided with celebrations marking the fourth anniversary of the withdrawal of British troops from Tobruk, a pullout which was negotiated by Col. Qadhafi shortly after he seized power on Sept. 1, 1969.

Oil sources said that the Libyan government acted against Shell, a Dutch-British-owned group, because it rejected the regime's order nationalizing 51 percent of its assets last September.

Yesterday's order called for nationalizing the company's remaining assets—all production and exploration facilities, including refineries, pipelines and storage tanks.

It was the latest in a series of Libyan moves against foreign oil firms. Until now, American and British holdings had been the principal targets of Col. Qadhafi's nationalization program.

In September, the Libyan government took over 51 percent of the Royal Dutch Shell group and the Amoseas group, which comprises Standard Oil of California, Texaco, Exxon and Mobil. In February, Col. Qadhafi ordered the total nationalization of the Libyan American Oil Co. and Asian Oil, which are part of Exxon, as well as Texaco.

Earlier, 51 percent of Occidental was nationalized and British Petroleum and Bunker Hunt were taken over totally.

Shell, like U.S.-owned Amerasia-Hess, holds a minority interest in the Oasis group, which includes Continental and Marathon. The group produces 700,000 barrels of oil a day.

Report Says U.S. Can Cut Use of Energy by Half

WASHINGTON, March 31 (UPI)—The United States could cut the growth of its energy consumption in half without reducing the growth of its standard of living, according to a report issued yesterday by the Ford Foundation.

"This would require a determined national effort to put existent energy-saving technology to use, especially in automobile space heating and air conditioning and industrial process heat production," the report said.

The report by the Energy Policy Project, a Washington study sponsored by the foundation, said that such a "technical fix" could, by the year 2000, save the United States almost as much energy as its present total consumption.

The report said that the nation's current energy problems are not the sole result of the Arab oil embargo or any other "single villain."

"The gap between domestic energy consumption and domestic production emerged in the 1930s and has grown rapidly since 1970," the report said.

Indian City Lifts Curfew

NEW DELHI, March 31 (Reuters)—The curfew was lifted in the Bihar state capital of Patna yesterday after 12 days of unrest in which 28 persons died in clashes between security forces and student-led demonstrators, the press trust of India reported.

Mercury Moon Discovered During Mariner-10 Journey

PASADENA, Calif., March 31.—American space scientists studying data recorded by the spacecraft Mariner-10 have discovered a moon near the planet Mercury, it was revealed today.

A spokesman at Mariner project headquarters said that the moon was discovered Friday by the spacecraft's ultra-violet camera, as Mariner moved within 450 miles of Mercury.

Cameras aboard the spacecraft, meanwhile, were turned off last night in an effort to curtail a mysterious, sharp increase in the spacecraft's use of power.

Spokesman at the Jet Propulsion Laboratory said that the additional power usage had produced an increase in temperatures which might have endangered the craft. They said that they did not know what caused the sudden change.

Mariner had been expected to make pictures for several more days, but a spokesman said, "I have no idea whether they will take additional pictures."

Instruments aboard the spacecraft indicated Friday that the planet is even more dense than scientists had believed. Mariner-10 discovered that the planet is two-thirds iron, making it half as heavy as the earth, even though it is only a little more than one-third earth's size.

"Our computers are still calculating the distribution of minerals in Mercury, but there's no question that it's mostly iron," Taylor Howard of Stanford University said yesterday at the Jet Propulsion Laboratory, from

Hijack Attempt Foiled in Florida By Cabin Cleaner

SARASOTA, Fla., March 31 (AP)—A young gunman who brought two hostages with him attempted to hijack an empty Boeing 727 airliner yesterday but was foiled by a cabin attendant who wrestled away his shotgun, police said.

The hostages, a vacationing Ohio couple, got away from the man after he was disarmed. The gunman then disappeared.

However, after searching this Gulf of Mexico resort area with helicopters and dogs, Manatee County sheriff's deputies arrested a young man who was eating breakfast at a restaurant within walking distance of the Sarasota-Bradenton airport.

Charges of attempted hijacking and kidnapping were filed against Eugene Smith, 30, of Waterloo, Iowa. Police said the suspect offered no resistance when apprehended about four hours after the hijack attempt.

Police said Edwin Bernard, 27, of Bradenton, who was cleaning the airplane's cabin, managed to wrestle the suspect to the ground and take away the gun. No shots were fired.

Mt. Athos Abbot Defies Orders

SALONIKA, Greece, March 31 (Reuters)—The abbot of a monastery in the 1,000-year-old holy community of Mount Athos has barricaded himself and his monks inside the building in defiance of the Eastern Orthodox Patriarchate of Istanbul, authorities here said yesterday.

Abbot Athanasios shut himself inside the monastery of Esfigmenon to prevent his expulsion—along with three monks—for converting it to the old-style calendar.

Authorities said 70 monks had threatened to burn down the 11th-century building if an attempt was made to oust the abbot. A minority religious group in Greece that adheres to the Julian calendar is challenging the patriarchate's authority.

'Fanned the Flames of the Busing Issue'

Democrats Assail Nixon on Education Bill

WASHINGTON, March 31 (UPI)—The Democratic party's spokesmen on education charged yesterday that President Nixon's stance on the education bill had "fanned the flames of the busing issue," provoked discord and brought "confusion and chaos to thousands of school districts all over America."

Responding to a radio address on education that Mr. Nixon made on March 22 were Sen. Claiborne Pell of Rhode Island and Rep. John Brademas of Indiana. They are the Democratic chairmen of the Senate and House Education subcommittees, respectively.

Sen. Pell argued that the President was not giving education top priority. "The President vetoed four education appropriation bills on the grounds of extravagance," he said. "But he has yet to veto a Defense Department bill or a space program bill on those grounds."

Rep. Brademas said that, "with only a few exceptions, President Nixon has shown no willingness to work together with Congress to strengthen our schools and colleges and improve our system of education."

Support Is Sought

On March 23, Mr. Nixon took the airwaves to seek support for the administration's education bill. This bill included provisions against "excessive forced busing" programs for broadening local control over schools and the financing of post-secondary school education.

He charged that the pending Senate bill was a bureaucratic nightmare that would concentrate control over education in Washington rather than in local communities. He suggested, however, that the bill that had passed the House was agreeable.

The House bill would provide for \$18 billion in aid to education during the next four years, but it also contained the antibusing provisions backed by the administration.

Sen. Pell's radio statement was intended as a point-by-point refutation of the President's address. He agreed with the President's position on only one point—the need for advanced funding of education programs so school boards could make plans.

The senator did not deny the charge that the Senate bill contained a bundle of rules and

regulations to guide the behavior of bureaucrats. He said that these were necessary because of experience with an "administration that has repeatedly impounded funds and flouted the spirit of the laws passed by the Congress."

"We have no choice," he said, "but to spell out the letter of the law in fine detail."

Sen. Pell rejected Mr. Nixon's contention that control was being centered in Washington. "The truth is that your federal government's involvement in education is minimal," he said. "Of

the billions of dollars spent on education in this country, only 6 percent comes from Washington, and the rest comes from state, local and private sources."

Stressing that some consolidation of education programs was desirable, Sen. Pell contended that Mr. Nixon's version of consolidation was "really a cloak for cutting out programs and cutting down services to the people."

He cited as examples programs of high school guidance and counseling and the Better School Act.

Dragging Feet

Sen. Pell also denied that Congress was dragging its feet on funds for education. He said that the President's request was submitted only last month.

Neither Sen. Pell nor Rep. Brademas discussed the differences between the bill and the pending Senate bill.

Their air time over three networks was paid for by the Democratic party. Air time for the President's address was provided by the networks free of charge.

Crossman Seriously Ill

LONDON, March 31 (Reuters)—Richard Crossman, 66, a former cabinet minister and outspoken Labor party intellectual, is seriously ill with cancer and is not expected to live long, his wife said last night. Mr. Crossman was minister of housing from 1964 to 1966 and secretary of state for social services from 1968 to 1970. He is suffering from cancer of the liver.



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Obituaries

Sir Walter E. Towells, 93,
Saved Queen Victoria's Life

HOT SPRINGS, Ark., March 31 (AP).—Walter E. Towells, 93, who was knighted for saving the life of Queen Victoria of England, died here Friday.

He was born at Bai England, and was knighted in 1897 after running a considerable distance to report that an attempt would be made to strangle the queen's train outside London. The train was stopped and the queen was not injured.

After he was knighted, he was made a knight of the Order of St. Michael and St. George, and later became King Edward VII.

He had lived in Hot Springs for 31 years.

Sergei Mardashev

MOSCOW, March 31 (AP).—Biochemist Sergei Mardashev, 68, vice-president of the Soviet Academy of Medical Sciences, died Thursday after a long illness. Taz reported Friday.

Mr. Mardashev was noted for

Kurds Broadcast
Claims of Killing
Iraqi Troops

ANKARA, March 31 (Reuters).—Kurds guerrillas claimed in a radio broadcast tonight to have killed hundreds of Iraqi government troops and to have shot down three planes during clashes in northern Iraq, according to the independent Turkish news agency Haber.

The agency said the "Voice of Kurdistan" radio, monitored in eastern Turkey, reported that rebels routed a 3,000-man Iraqi force sent to relieve a garrison in the mountainous Ruwandiz region. No mention was made of Kurdish casualties.

The broadcast said that men under the command of Mulla Mustafa Barzani, the 76-year-old Kurdish nationalist leader, had also shot down three Iraqi government aircraft, the agency said.

Two of the planes were said to have been dropping supplies to Iraqi troops near Gailala, the agency said.

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Ruling Body
Reshuffled
In CambodiaLon Nol Dissolves
Political Council

PHNOM PENH, March 31 (AP).—Cambodian President Lon Nol officially declared the end of the four-man High Political Council today and ended the exceptional powers conferred on him by the National Assembly.

An opposition leader sharply criticized the reshuffle and said three government ministers had resigned.

In a radio broadcast, President Lon Nol said the Political Council would be replaced by a four-man High Executive Council "to assist the National Assembly in its work."

High Cambodian officials said the Political Council was established last March primarily to meet American demands that opposition politicians Cheng Heng, Sirik Matak and in Tan share power with Lon Nol. Mr. Tan resigned from the council and the premiership in December and was replaced by Foreign Minister Long Boret.

U.S. sources said outgoing U.S. Chargé d'Affaires Thomas Enders had favored retaining the Political Council because it gave the appearance of a united political front even though it did not work in practice. But as soon as Mr. Enders left Phnom Penh this morning, the Cambodian officials said, President Lon Nol moved to kill the council and return to the former executive setup with a president and vice-president.

An official close to Lon Nol said the President hoped to present arriving Ambassador John Dean with a fait accompli.

Cheng Heng, who was dropped from the government, said: "I have a feeling the manipulating of high Cambodian officials at this time poses a great danger for the country."

In the country's war front, government forces in two pockets north and east of Phnom Penh, 23 miles north of Phnom Penh, were reported holding their defensive positions to await more reinforcements and supplies, reports said.

To the south of Phnom Penh, 11 miles north of Phnom Penh, a field officer said three battalions of insurgent troops had moved into the Highway 4 area near the Tonle Sap River for the purpose of closing the river to government boats.

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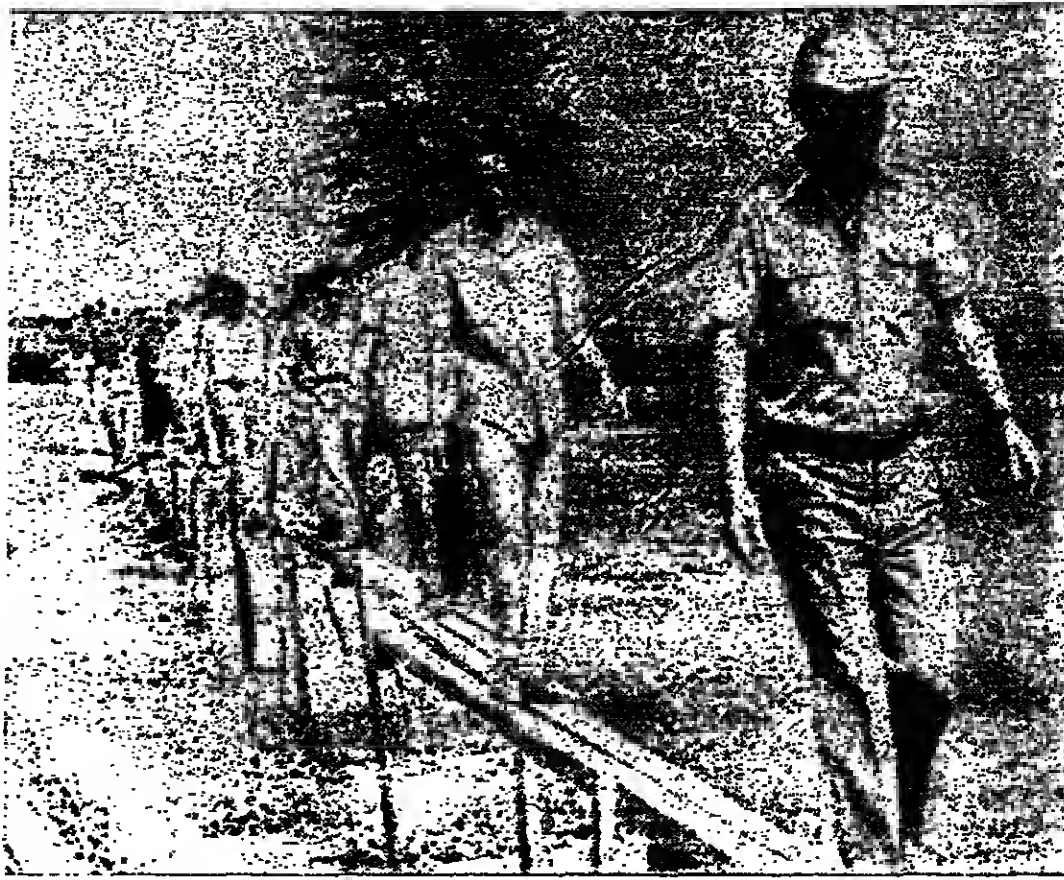
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GOVERNMENT VISIT—Cambodian Premier Long Boret, followed by cabinet members, crossing wooden bridge over a rice paddy at refugee camp north of Phnom Penh last week.

To Populate Red-Held Areas

Hanoi Said to Be Sending Civilians South

By David K. Shieler

SAIGON, March 31 (NTT).—Recent American and South Vietnamese intelligence reports indicate that Hanoi has begun sending thousands of young civilians to the South as part of a program aimed at establishing farms and populating areas under Viet Cong control.

The reports are based almost entirely on interrogations of prisoners and defectors, who say that about 6,000 North Vietnamese civilians have moved into Communist-controlled parts of Quang Tri Province, just south of the Demilitarized Zone, and Kontum, Pleiku and Binh Long Provinces near the Cambodian border.

If this migration continues, some officials believe it could bolster the Viet Cong's contention that they constitute a legitimate government, a position that has been vulnerable to charges by Saigon and Washington that only a small part of South Vietnam's population lives in Communist-controlled areas.

Furthermore, it would help carry the Viet Cong toward their goal of economic self-sufficiency, presumably easing what American officials regard as a chronic

shortage of food for their troops in the mountains along South Vietnam's central border with Laos and Cambodia.

Populating some of these areas might also improve the Communist chances of luring civilians from zones held by the South Vietnamese government, an effort that U.S. officials contend has been unsuccessful. This could be significant in a continuing struggle in which political strategy is intertwined with military.

System of Rewards

To attract young people as settlers in the South, prisoners and defectors say, North Vietnam has instituted a system of rewards and incentives for both the migrating civilians and the parents they leave behind in the North.

When a young person goes south, for example, his parents receive a small cash grant each month, free medical care, authorization to buy rice at lower prices and first priority in purchasing certain rationed items.

These are apparently highly valued privileges in the face of the growing economic problems of the North. The same prisoners and defectors reported that the monthly ration of milk and sugar had recently been halved for North Vietnamese citizens and the rice ration cut.

The civilians who go south receive allocations of money and intensive indoctrination, according to the interrogation reports.

They are told that they must be self-sufficient, must never expect money from South Vietnamese civilians, must be polite to women and must take part in the campaign to propagandize South Vietnamese civilians.

Farm Mission

The men and women whose mission is to establish agricultural cities are divided into two groups, the reports say. One group goes into contested areas and must be ready to engage in combat as well as in farming; the other, in secure areas, is responsible only for production.

South Vietnamese officials said last week that they had observed new agricultural communities in Communist-held areas of the Central Highlands that had been abandoned by mountain tribesmen.

According to a U.S. official, the North Vietnamese program is believed to include nonfarming civilians such as schoolteachers and political officers. These people reportedly go south for two-year periods that take the place of the normal three-year military service required of those who stay in the North.

To some U.S. analysts, the migration of civilians from North Vietnam supports the theory that the Communists are seeking the creation of a so-called Third Vietnam—a sovereign Communist state within the boundaries of South Vietnam, independent of the government-controlled areas and endowed with its own capital city, its own diplomatic relations and its own foreign trade.

Items for Export

North Vietnamese teams, for example, have reportedly been sent south to collect timber, shanties and honey for export.

And yet the same analysts say they have seen Communist writings that seem to regard the Third Vietnam strategy as too defensive and too vulnerable to criticism by the government side.

Further, from Hanoi's point of view, it seems to conflict with the objective of reunification.

Recent intelligence reports have provided some indications of friction between North Vietnam and the Viet Cong, with Hanoi reportedly apprehensive that if the political provisions of the Paris cease-fire agreements are ever carried out, the Viet Cong might get what they want—political power—but North Vietnam will not get what it wants—reunification.

North Vietnam has made no attempt to bring Viet Cong-controlled areas of South Vietnam under northern governmental control, with the exception of the northern area of Quang Tri Province bordering the DMZ, an American official reported. That part of the province has been annexed by Hanoi, he said, and governing officials there are North Vietnamese.

White-Collar Workers Among Strikers

Inflation Spurs Wide Unrest
On the French Labor Front

By Clyde H. Farnsworth

PARIS, March 31 (NTT).—Anger at the rising cost of living and the failure of purchasing power to keep up has provoked one of the most serious outbreaks of labor unrest in this country since the uprisings of May and June, 1968.

The industrial and commercial machine is still functioning, but the general public is finding it harder and harder to ignore the disruptions that started in the nationalized banking sector and have now spread to at least a dozen industrial companies.

One illustration is a shortage of checks. Banks can still cash them, but the clerks are not there to mail out new checks. As a result, many bills simply are not being paid.

Bank clerks, electrical workers, truck drivers, automobile workers at Le Mans, textile workers at Rouen, shipyard workers at Saint-Nazaire, electronic workers in the Moselle, coal miners in the Lorraine and gas workers in the fields at Lacq are all among the disaffected striking against stagnation and losses in their purchasing power.

Strike Closed

On Thursday, bank clerks demonstrated in the streets of Paris, and trading on the Paris stock exchange was halted by a strike of exchange clerks. The exchange was closed Friday as well.

The remarkable feature of the unrest is that it has spread to the white-collar sectors, a sign of the pervasiveness of the tensions.

In peaceful marches Thursday near the Opera here, about 10,000 bank employees, assembled from all over the country by the five main trade unions, sang songs and waved banners and posters critical of the government and the banking establishment.

"The bankers will be on the hot seat," they cried, and "Giscard to the Folies-Bergère." Valéry Giscard d'Estaing is the Finance Minister.

Two weeks ago, bank clerks and students marched together in the capital in protests involving wages and education.

Earlier Alliance

Although students and workers also walked together in 1968 at least in the early stages of that uprising, there is little expectation in the country now that the current unrest will lead to a 1968-style explosion.

An ominous sign, however, is the labor dispute of the Atlantic shipyards of Saint-Nazaire, the country's biggest and most profitable shipbuilding company. A brutal strike at this Brittany yard in 1967 is often cited by labor historians as a pointer to the troubles of 1968.

Specialists see the importance of what's happening now mostly in political terms. The left has a major issue on which it can attack the government. And both the Communist and Socialist parties are mobilizing to try to take advantage.

Both are stepping up their economic pronouncements to point out the deterioration of the trade balances of Western European and, to a lesser degree, Eastern European countries, while for some of the world's developing nations the situation will become "untenable," the survey said.

For those reasons, the economists found "considerable urgency" in the need to establish international machinery for a "multilateral recycling" of the funds going to the oil-exporting countries as a result of the higher prices they command.

"Until such machinery has

250,000 May Be Homeless

Pleas Issued in Brazil Floods For Vaccines, Drugs, Lime

RIO DE JANEIRO, March 31 (Reuters).—Fear of epidemics following devastating floods prompted the armed forces today to appeal for more vaccines, drugs and lime with which to bury the dead.

The states have been declared emergency areas. While the sun shone on sand-covered wastes in the north and more rain was forecast for the central states, government agencies admitted that the number of flood refugees could reach 250,000. Conservative estimates put the dead at "several thousand."

Thousands are missing and hundreds have been buried in concrete graves dug by volunteers and soldiers and covered with lime.

Imoto Feruschette, the mayor of Tubarao in southern Santa Catarina State, said last night that more than 200 bodies had been buried and 1,500 persons were missing.

Yesterday, the government an-

nounced a \$15-million fund to aid flood victims. Newspapers here estimated crop and livestock damage to be as high as \$400 million.

Daily Ration

A former mayor, Dilnei Chaves Cabral, was among those who lined up last night in the stricken city for the daily ration of mineral water, banana, an orange and a slice of bread.

Doctors clamored for more medical supplies and priests told newsmen: "Please tell them out there not to abandon us."

The evacuation of Tubarao's population of 70,000, ordered by the army to prevent the spread of disease, is proceeding slowly. Meanwhile, reports of flood losses trickled in from the impoverished states of the northeast, where rivers have totally covered a number of cities.

Although damage was reported there to be "phenomenal," federal government sources said the loss of life was minimal since the floods had arrived gradually, over two weeks, and not virtually overnight, as in the south.

Air Force Hercules cargo aircraft were carrying food, blankets and medical supplies to state capitals, where helicopters and small planes were lifting them into the flooded zones for thousands, many of whom have been without food for days.

Belgium Raises Price of Fuels

BRUSSELS, March 31 (UPI).—The government, giving in to oil companies who warned that Belgium would run out of fuel within a month, today approved a 1,240-franc-a-ton (\$31) across-the-board price increase for oil products.

The action by Premier Edmund Leburton's cabinet occurred a month after the companies suspended all crude-oil imports, saying they would not resume them until the government raised prices to offset higher import costs.

Most refineries shut down last week as their supplies of crude dwindled. Industry officials said Belgium had about a month to go before it would run out of oil.

The new increases, effective tomorrow, will raise the price of gasoline and diesel fuel by 1.24 francs a liter (12.7 cents a gallon). With corresponding tax increases, motorists will pay 13.29 francs for a liter of super (\$1.25 a gallon) and 12.82 francs for regular (\$1.20).



EXTRACURRICULAR ACTIVITY—Zurich schoolchildren in front of home of exiled Soviet author Alexander Solzhenitsyn asking newsmen to leave him and his family alone.

Solzhenitsyn's Neighbors Set Children Onto the Press

ZURICH, March 31 (AP).—Alexander Solzhenitsyn's Swiss neighbors sent their children into the streets yesterday to try to break the news media's siege of the banished Russian writer's new home.

The anti-newsmen campaign was opened with a march by about 25 children chanting "Leave Solzhenitsyn in peace," as they moved on No. 45 Stalderstrasse where Mr. Solzhenitsyn now lives with his wife, four children and mother-in-law.

The author's joyful reunion with his family Friday attracted reporters and photographers throughout Europe to the quiet, middle-class neighborhood, he close to live in after being exiled from the Soviet Union last month.

The newsmen's constant surveillance of the home and their frantic dashes to the metal fence with zoom photo lenses and extension microphones every time a member of the family appeared at a window clearly angered the neighbors.

In an apparently concerted effort, they instructed their children to follow the march with a poster campaign vilifying the reporters.

Crayoned and painted card-

board signs reading "Peace for Solzhenitsyn" and "Reporters Go Back Where You Came From," were taped to the fence and looked gate leading to the small garden outside the writer's stucco semidetached house.

Shortly before noon, Mr. Solzhenitsyn came out on his home to walk the quarter of a mile to a post office to mail two letters. The newsmen chased after him, struggling with microphone lines to keep up with his long strides. But he refused to talk with them.

As the author passed a junior high school, children flocked to the windows shouting, "Throw out the reporters," Mr. Solzhenitsyn smiled.

A Russian-speaking television reporter told Mr. Solzhenitsyn that if he would pose with his entire family for five minutes in his garden, the photographers would leave.

The journalists, Mr. Solzhenitsyn quickly reported, "can stay there as long as they like. There would be no family portraits."

As the newsmen settled back to wait for the next appearance, the children moved in. They stole up behind the journalists and taped "I Am a Very Stupid Reporter" signs on their coats.

Church in Spain Prods Regime on Liberty, Justice

MADRID, March 31 (Reuters).—Leading Spanish churchmen sent a special message yesterday to "those who lead society" here, saying the Roman Catholic Church asked for nothing more than liberty in preaching the word of God, promoting justice and defending human rights.

In what was seen as a clear reference to the conflict between church and state in Spain earlier this month, the National Holy Year Committee said the liberty it desired was not a threat to Spain's leaders but a means to add to the values of human dignity.

"The church wants, in this Holy Year, all Spaniards to feel more free," the message said. The committee, led by Narciso Cardinal Jubany, archbishop of Barcelona, said in the message, released to newsmen here, that they recognized Spanish leaders' dedication to their public work and their authority over an immense field of activities.

Hussein Back in Jordan
AMMAN, March 31 (UPI).—King Hussein returned yesterday after visits to the United States and Britain, government sources said.

Bourguiba Turns to Algeria, Morocco

Tunisia Merger With Libya Is Considered Dead Letter

By Henry Giniger

TUNIS, March 31 (NYT).—The proposed merger between Tunisia and Libya, which started the world in January, is now a dead letter in the view of knowledgeable political and diplomatic sources here.

President Habib Bourguiba of Tunisia, who signed the merger agreement Jan. 12 on the island of Djerba with his eastern neighbor, Col. Muammar Qadhafi, has since turned 180 degrees west to emphasize his country's natural affinities with Algeria and Morocco.

At the beginning of this month, Mr. Bourguiba said in a speech that priority was being given to strengthening cooperation with those countries. "If fusion within the Arab nation is an objective in which we believe," he added, "we do not think it is possible in the near future."

Algeria and Morocco have both expressed hostility to a Tunisian-Libyan merger, and Premier Hedi Nouira of Tunisia, who has also been against it, has since declared that his country could not undertake union without the backing of Algeria and Morocco. The result of this firm stand has been to throw the merger into limbo.

The plan—which went into considerable detail as to how the united country, the Arab Islamic Republic, would be formed—has been banned from newspaper discussions here. And a constitutional amendment to allow a referendum to approve the merger is languishing in a committee of the National Assembly.

Technical cooperation for specific projects is continuing, but there has been a notable worsen-

Terror Acts In Ethiopia Seen on Rise

During the Unrest, Western Aides Say

ADDIS ABABA, Ethiopia, March 31 (UPI).—Eritrean guerrillas seeking independence from Addis Ababa have stepped up activities in the current nationwide unrest, Western diplomats said today.

However, Premier Endalkachew Makonnen said the nation was safely over its second crisis in a month and that affairs of state were returning to normal. The country was reported calm.

There was no news of the whereabouts of three American and two Canadian oil prospectors, seized on Tuesday when their helicopter was forced down in a storm in the rugged north country. The government said the five were captured by "bandits," but diplomats said the captors probably were Eritrean Liberation Front guerrillas.

Ed Burchall, the president of the American-owned Tenneco Co., for which the men work, denied a news report that the five men were being ransomed for \$1 million.

"It's absolutely untrue," he said. "We haven't received anything like that. In fact, we haven't received any communication at all, though we are encouraged we will hear something in the next few hours."

Strikers Warned

Despite the government's claim that the crisis was over, there were trouble spots. The Civil Aviation Authority warned 800 ground and technical employees that if they did not end a three-week-old strike by tomorrow, they would be fired. Labor specialists said such an action could precipitate countrywide labor unrest. Since the strike began, no foreign airlines have landed at Addis Ababa or Asmara airports.

Western diplomats said the 6,000-member Eritrean guerrilla force had moved some units nearer to Asmara, Ethiopia's second largest city. But the diplomats discounted news reports that the guerrillas have surrounded the city or planned to attack. The guerrillas killed 15 government troops in an ambush last week, the diplomats said.

Yesterday, police reported that 15 persons were killed—10 hacked to death with knives and spears—in a peasant revolt in the south. They said inflammatory leaflets calling for land to be returned to peasants caused the outbreak. The peasants tried to seize lands which they claim were granted to nonlocal landlords.

Come to the flavor of Marlboro



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Views of the Atlantic Alliance

These articles are the first of a series, to be published in the International Herald Tribune, on the problems and differences of Europe-U.S. relations. The series is being coordinated by Joseph Godson who organized the Europe-America Conference in Amsterdam last year.

Foreign Policy: Dangers We Must Face

By Michael Stewart

LONDON—For 25 years the North Atlantic alliance has been a major fact in world politics. By its mere existence and power, and without the actual use of armed force, it has preserved the sovereign independence of its members, saving them from the fate of Czechoslovakia and East Germany.

Although it consists of one superpower, several medium and several small powers, each has preserved its freedom of choice within the alliance, deciding how much or how little it would do in the common cause—a freedom which France has used extensively.

The security which it has engendered has enabled each member to keep military expenditure within bounds and, recently, has created the atmosphere in which it is possible to talk of better understanding with Eastern Europe. The alliance, and the four power guarantee of West Berlin, have been essential conditions for the success of Chancellor Willy Brandt's Ostpolitik.

Yet, despite all this, harsh words are being hurled across the Atlantic in both directions and the alliance is under greater strain than it has ever been before. Historians will wonder at the frivolity of this exercise, conducted in disregard of the great issues involved; but they will see the picture wrong if they do not realize that there are solid—if, in the last resort, inadequate—reasons for the strain to which the alliance is now subjected. It is important that we should examine these reasons, and seek the policies through which the disputes can be resolved and the alliance preserved.

Mutual Advantage

First, there is the feeling, bluntly voiced by President Nixon, that America is out to great expense, particularly in the maintenance of troops in Europe; that this is damaging to its balance of payments, and that its Eu-

ropean allies should take account of this by being more generous in trade-bargaining with America instead of being so fully absorbed with the promotion of their mutual advantages in the development of European community policy.

There is a tendency in America to exaggerate this point; by far the greater part of the expense of conventional forces in Europe is borne by Europeans. America's trading anxieties are due at least as much to Japanese competition as to the policies of the EEC. Nonetheless, the point deserves more consideration than it has been given. Last autumn, conventional wisdom among Europeans was that, in transatlantic discussions, defense and trade must be kept separate.

This is totally unrealistic. They cannot be dealt with at one and the same conference; but the strain of defense on the American economy is real, and Europeans cannot approach trade discussions with America as if this strain did not exist.

There is the further possibility that difference over world monetary policy would provoke a similar EEC-U.S. conflict. But, whether for good or ill, monetary policy has not yet progressed, so far even within the EEC, as to make this a cause for immediate anxiety.

Next, we must consider the fact that far and away the greatest share of the alliance's nuclear power is in American hands. This produces a double malaise in Europe. It produces among us Europeans an uneasy feeling of inferiority, and a dread that in the last resort our independence is in American hands.

This may seem strange to Americans, most of whom know quite well that if the Western European nations, for lack of the American nuclear guarantee, became satellites of the East, America itself would be in great peril, and the continuance of the "nuclear umbrella" is as much in America's interest as in Europe's. But the feeling is real, and

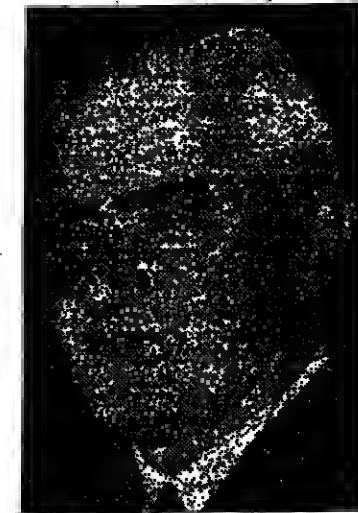
Michael Stewart was the British secretary of state for foreign affairs in 1965-66 and the Secretary of State for Foreign and Commonwealth Affairs in 1968-70.

American policy should be aimed to dispel it. In particular, talk of removing American troops from Europe is likely to inflame this fear that the next step would be the disappearance of the nuclear guarantee.

The other part of the malaise arises from the knowledge that the United States and the Soviet Union alone are nuclear giants, and that, as such, they are engaged in the SALT discussions. Might they not be tempted to "do a deal"—as the phrase is—at the expense of their allies?

The moment one attempts to spell this out, its absurdity becomes apparent. Do we in Europe really believe that the United States, in return for nuclear concessions, would cease to interest itself in Western Europe, thereby so weakening its position in the world that it could never insure that any nuclear bargain was kept? And if this is not what we fear, then what is? Here again, America can help by continuing a policy of keeping its allies well-informed as to the progress of SALT.

Most recently, the alliance has been strained in the context of the Middle East war, by the



failure to reach a common policy on oil, energy or the Middle East itself. The cavalier treatment, by Europe, of American proposals to these ends was unwise—so was the American failure to consult, or even give adequate prior information of its nuclear alert at a critical stage in the conflict. Both these events suggest not so much ill-will as inadequate channels of communication. We have come to take the alliance too much for granted and neglected the need for close contacts.

Finally, there is what may be called the ideological strain. This affects public opinion rather than governments, but is not the less important for that. To many in Europe, looking at the American attitude to Greece, Portugal and Spain, it appears that America does not greatly mind whether a country is a dictatorship or a democracy, provided it is not Communist.

It is doubtful whether the American government has yet taken the measure of this problem; but with the recent change of government in Britain it is likely to become increasingly important. An agreed policy of, at least, discouragement toward dic-

tatorships may well be at least as desirable an agreed energy policy.

Serious as these strains within the alliance are, they are not incurable. Already there have been some corrections of the hasty words spoken by both sides. The allies have only to remind themselves of the massive military preparations of the Warsaw Pact countries, and they will see their own differences in truer perspective.

America should then be able to realize how vital the continued presence of its troops in Europe is and Europe can recognize that a helpful approach to the trade and balance of payments problem is something for which an ally can reasonably ask.

The processes of consultation can be improved and a more systematic effort can be made, through information services, to see that not only the governments, but the peoples on each side of the Atlantic get a better understanding of how their partners think and feel.

In the long run, the ideological aspect will be the most important. We need to state more clearly what the purpose of the alliance is, and to make this message heard by the rising generation. An alliance solely for military defense has a negative, inadequate appeal; it must be made clear, in words and deeds, that the search for détente and mutual force reductions is genuine, and that if it fails, this will not be NATO's fault.

An alliance solely against Communism is also too negative; it must be restated as an alliance for freedom and for human welfare and justice.

Without this, the peoples of the West will not have the nerve nor the will to continue the patient search for détente, or, meanwhile, to maintain their defenses.

As one of Bernard Shaw's characters expressed it, "The course of faith will always outlast the course of wrath." It is the faith that needs to be reasserted.

By Pierre Harmel

BRUSSELS—If we look back over the last 10 years, we see that during this decade all significant developments in international politics have been, for the countries of Western Europe, concentrated in three areas: the construction of Europe, relations with North America, and relations with the Eastern European countries.

On each of these fronts, the last 10 years have been rich in events: strenuous with difficulties, it is true, but characterized by continued effort. It has been, on the whole, a time of progress, a period of active European policy in three dimensions: coherent, dynamic and great.

The years from 1963 began badly, with the policy of the empty chair (France's withdrawal from EEC Council meetings); then the compromise of Luxembourg which made the community currency and substituted in fact the rule of unanimity in the Council of Ministers for that of the majority. But patience, determination and coherence enabled us, nevertheless, to do all that has been achieved.

I look back on this succession of days and sometimes seemingly endless nights, which did however bring, at dawn, a new activity, the customs union, the beginning of the definitive period, dependence on our own resources, the successful negotiations with the four candidates for membership, the signature of the treaty of accession, its ratification by nine of the 10 countries, the commencement of systematic political consultation and, at the Paris summit, the taking of political decisions which are to bring us, by 1980, to an economic and monetary union, and to a European union.

Thus governments and men, following others who had pursued the same policy during the preceding 10 years, conceived and began to build an advancing Europe.

And America

It was the same with relations with America. There too, in 1963, the decade started with problems: we were about to enter the 20th year of the alliance, after which any member could leave it. A dark moment indeed, since in 1966 France ended her participation in the integrated peacetime military organization. But here also, within the union of the 15 countries, a positive movement took place: all the member states decided to remain in the alliance, which was considered indispensable to security; a vigilant but not a static alliance, capable of adapting itself to changing circumstances, where political discussions about détente would have as much weight as decisions on defense: an alliance where, as we said even then, it seemed possible and more necessary than ever to define European obligations more exactly; the only venue for a balanced dialogue



Pierre Harmel is a former Belgian foreign minister and is currently president of the Belgian Senate.

with the countries of North America.

Finally, the last 10 years have led in a third direction, toward a dialogue with the Communist countries. Two themes have formed the background: regional, reciprocal, balanced and progressive disarmament in all the European countries; the search for conditions of peaceful co-existence between regions having opposing ideologies. There too, difficulties and doubts were many. Aug. 20, 1968, in Prague, seemed to toll a knell. And yet, the treaty on the non-proliferation of atomic weapons was signed by more than 80 countries; the Vienna talks on balanced force reductions and the Helsinki conference on European security and cooperation have started.

Why Look Back?

Why should we think back over these 10 years, so creative in many ways, which up to a year ago appeared to show an irreversible advance toward European unity?

It seems to me that we should recall these years of effort in order to throw on the dark moments we are now experiencing light from the West, and thus to help and encourage those who now bear or will bear the responsibilities of the present.

Let us be frank: Of all the months we have lived through in the past decade, the first three months of 1974 have been the most negative and the most destructive.

The European community meets one defeat after another. To mention only the obvious: there is no regional policy, no fixing of farm prices, contradictory and competitive approaches to the problems of oil supplies, disagreement on a global energy policy, a breakdown in monetary agreements and thus a setback for economic union; in the same period, five government crises in three months in the nine countries of the community, and a very difficult approach to the European future for Mr. Wilson's government.

At the same time, the divergences between the United States

and the Europe of the Nine have reached the stage of public quarrels, and the 25th anniversary of the Atlantic alliance, in April, will take place in deplorable conditions.

And this at a time when we should be increasing our cohesion in order to be in a position to conduct negotiations with the Soviet Union and the Warsaw Pact countries in a context which from year to year becomes more difficult. It is true that 80 countries signed, more than five years ago, an agreement on the non-proliferation of atomic weapons, on condition that in exchange for the privilege of power thus granted to the United States and the Soviet Union these two countries should conclude between themselves agreements which would reduce the threat of intercontinental nuclear war. Instead, and in spite of the conclusion of the first SALT agreement, the opposite has happened and in Europe the pressure of Soviet military power has become peripheral and naval, and has continued to increase. This is not the moment, therefore, to weaken the alliance nor to appear divided, at a time when negotiations are going on and when the granite of the Soviet attitude has no reason whatever to crumble.

Thus we are physically and morally surrounded, in Europe, by a series of cumulative dangers, both internal and external: precisely those we wished to guard against by uniting Europe and by a more open attitude to the East, neither of which is possible without the reinforcement and strengthening of Western solidarity.

Forward March

How can we break the spell and resume our march forward?

I would like to indicate, from my close knowledge of the European community, the only place which has sufficient political power to take the action which should not be postponed, even for a few weeks.

The Council of Ministers must take the first step forward: the only project which will make this possible, and which will set in

motion the others, is economic union, covering all aspects of the energy situation.

The nine countries together must overcome and correct by a suitable program the supply weaknesses which they have allowed to develop. An Arab-European conference may be useful, but can only deal with particular aspects of the crisis. The problem of the diversification of energy resources is enormous; Europe cannot solve it alone. But in order to take joint action with others, Europe must first define her own policy in this primordial matter. In order to treat with the old producers of petrol, and the new—British, Norwegian, Canadian, to speed up the study of all systems of power production, to revise our policy of energy independence and consumption of all forms of energy, a vast program is necessary, spread over a sufficient length of time.

A common will to face this obvious necessity would revive the dialogue which has become blocked on many other subjects. Who should take the initiative? To reactivate the community machine, we must call for the political intervention of the countries which successively have the presidency of the Council of Ministers: the German Federal Republic until June 30, and France after that date.

These two countries not only know better than anyone why the community was founded, but their importance and their internal systems of organization allow the heads of their governments, with the help of their foreign ministers, to take adequate direct action.

This personal and direct action has become essential. It now belongs to Chancellor Brandt and Mr. Schönlank, on July 1, it will pass to Mr. Pompidou and Mr. Jospin.

Shuttling

Some marvel, others are surprised, at the imaginative, unifying and itinerant diplomacy of Henry Kissinger, in his efforts to solve the crisis in the Middle East. The crisis in the community is, in its way, just as serious; before it becomes insoluble, I would suggest that the heads of government of the countries which, this year, preside over the council, and their foreign ministers, should also become, if necessary, pilgrims to the European capitals, until they have by their continued efforts restarted the community machine. There is no task more urgent and more essential.

The people I have mentioned must know the faith and the hope that their partners place in them. As to the United States, only a strengthened community can reopen a fruitful dialogue and solve the problems between them. But first, if I may suggest it, it would be advisable for everyone, on both sides of the Atlantic, to abstain from the anath-

emas which have been so freely and so uselessly exchanged in the last few days.

Could we also refrain from arguing publicly about the respective roles of the United States and Europe in the world, and debates on bipolarism and multipolarism?

Could we not accept, more modestly, to treat our problems in the proper place: questions of security and détente in the Atlantic Council, and other concrete problems in the forums to which our countries meet, before discussing them on a global scale, as soon as possible, in a larger venue? So far as that is concerned, the simplest procedures will no doubt be the most effective: political exchanges between the United States and Europe do not need special institutions or systematic constructions.

Talks Needed

It is not conceivable that a situation should continue in which the President of the United States can meet regularly with heads of Soviet governments, and the European heads of government have, in contrast, no regular meetings with the same Russian leaders, while similar meetings between the leaders of the European Community and the American governments raise problems. And if such meetings were to result in nothing more than what can be read in the first communiqués of certain Russian-European or American-Russian meetings, I think one might be justified in speaking of a second Prague Spring!

But we do not ask so much. For my part, I am in favor of the very simple system suggested by Mr. Robert Schaefer, former U.S. ambassador to the community: "A delegation from the American government, led by the secretary of state, should meet twice a year with the leaders of the Common Market. Such consultations are the more necessary since, all too often, each of the two partners is quite unaware of the problems of the other."

In our countries, hundreds of members of governments, members of parliaments, diplomats, civil servants, journalists, militants, Europe-builders, beginning with the commission of the Common Market and its staff, would be ready to support and promote a movement to avoid the dangers of disintegration, generating discord.

But few men have the political power necessary to redress the situation. They are named in the Treaty of Rome: they preside over the Council of Ministers each in his turn.

It is to them that we must appeal, saying: If you take the initiative, if you set the example, if you renounce all energies, if you explain the reason and the necessity for your undertaking to your allies, you will find, here and elsewhere, millions who are awaiting your lead. But do not delay, it is time!

كلنا من الأمل

PARIS, MONDAY, APRIL 1, 1974

Advertising Firms Retrenching as Budgets Shrink—a Survey

By Thomas Hawkey

PARIS (UPI)—Advertising in France, and in almost all other countries, has been hit hard by the energy crisis, inflation and the resultant economic uncertainties. Cuts in advertising have been made in some industries, with prospects for reductions to come in other sectors.

The outlook for advertising agencies, over the short term at least, is therefore, one of consolidation, if not crisis. The rapid growth of the industry during the last few years is almost certain to stop this year. A slowdown was noted in the United States last year.

Mr. France, advertising has known a period of nearly continuous expansion since the early 1960s. Last year, revenues of the 50 largest agencies progressed by an average of 10.2 percent.

Forecasts for this year, however, range from a 10 percent increase to a 10 percent decrease. The size of the cuts will vary from one industry to the next, depending on the gravity of the disruptions caused by soaring energy and raw materials costs and rapidly rising prices.

Most of the advertising by car makers recently has been limited to gas-saving claims for their smaller models. But perhaps when car owners get used to higher gas prices, there will be a return to ads boasting of the speed, comfort and other qualities of the bigger cars.

Airlines had little need for advertising when fuel shortages forced a reduction in the number of flights, with those maintained often being booked full. And they do not want to call attention to recent excessive fare increases.

The international oil companies have adopted a low-profile advertising stance, concentrating more on public relations. They are stuck with the task of explaining their soaring profits in the face of supposed shortages and rising prices, and their image

has been even further damaged by price-fixing scandals. Repercussions from jumps in the cost of oil are wide-ranging. Production costs of oil derivatives such as nylon and plastics have naturally gone up, and automotive-related products, tires, spare parts and accessories, have been affected by automotive production cuts. Advertising in these sectors has often been reduced as a consequence.

The sectors in which advertising expenditures have been cut the least, if at all, are food, household products, health and beauty aids, appliances, services, entertainment and travel.

The directors of several major international advertising agencies with offices in Paris recently gave their opinions on the outlook for 1974. Some expressed their views on the role that advertising can play in changing wasteful consumer attitudes and promoting the public interest.

Philippe Charnet, managing director of Lintas-Paris, said at a press conference recently that his clients' advertising budgets are down an average of 8 percent to 10 percent from last year. He thinks this trend will continue until midyear, and if business conditions worsen, the move toward smaller budgets could accelerate. Meanwhile, inflation is pushing up the agencies' costs and salaries in a labor-intensive industry.

Critical Drop

McGann-Erickson France's managing director, André Ebnard, does not disagree with the forecast made by Mr. Charnet. But he believes that the decrease for the year as a whole will be less than 10 percent. That large a drop would be critical for the industry, he says.

"Five percent is already a lot when you take into account the effect of inflation. I think there is still a chance for billings in France this year to equal those of 1973 in absolute terms, but that would mean less advertising for the same amount of money spent," Mr. Ebnard said.

The biggest cuts have been made by oil companies, in con-

tinuation of a trend started last year, when their advertising outlays were about 80 percent smaller than in 1972, Mr. Ebnard estimated.

As for European car makers, "their advertising expenditures have not dropped substantially so far," Mr. Ebnard said, but he admitted that there might be a decrease for the whole year.

In other sectors, some clients have adopted a wait-and-see attitude. Their current campaigns are continuing, but if they keep postponing decisions on future expenditures, budget reductions eventually will result, Mr. Ebnard noted.

He feels it is important for companies to weigh carefully the decision of whether to cut advertising investments in a period of difficulty. "Studies tend to demonstrate that after a recession companies that continued to advertise are much better off."

Armand de Malherbe, chairman and managing director of Ted Bates, the third-ranking advertising agency in France, foresees the possibility of a serious decrease for advertising in this year's second half. He said it will not be until May or June that "the real measure of the energy crisis will be taken. That is when the full impact of rising raw materials costs will be properly assessed." In addition, he believes that there could be heightened social unrest in France, then, prompted by strikes, rising unemployment and inflation.

At Internarco-Elvinger, Jean Martellié also predicted a crisis atmosphere after mid-1974, when many companies will be suffering from a lack of financing due to credit restrictions and high interest rates. "If Walter Thompson has always been at its best in tough times" (the company was founded in New York in 1864). That was the reaction of Gérard Souhami to the word crisis. Mr. Souhami heads the agency in Paris and is a vice-president of the company in New York.

"We have no oil account in France," he said, thus considering his agency's chances of faring well in the present crisis atmosphere to be better than those of agencies where large cuts have been made by oil and energy-related clients.

More preoccupying than the energy crisis, in Mr. Souhami's opinion, are the soaring prices of other raw materials. He cited as an example the 300 percent rise in the price of phosphate decided recently by Morocco, the major producer. This has had serious repercussions on detergent manufacturers, whose production costs have shot up while the French government has allowed only a 3 percent increase in the controlled price of their products.

At Publicis Conseil, France's second-largest advertising agency, Patrice Chevallier, a director, refused to make a global estimate for operations in 1974 because their clients are so varied.

Mr. Chevallier said that French car makers had not made significant reductions in their advertising budgets, although there had been a transfer in major expenditures from the top toward the bottom of his client's production range. He believes that this emphasis on the small and medium-size cars will continue even though the speed limit on French highways has been raised after the curbs enforced during the energy crisis.

Added Convenience

In reference to his oil account, Mr. Chevallier said that it differed importantly from other companies in the industry because it had gone beyond the classic service station activity by providing to its customers the added convenience of its hot tires. That difference, in advertising jargon, is called its "positioning." He believes that in the near future his client will feel the need to issue "messages" for its corporate image.

Jan van Aal, general manager of Dorland & Grey, is moderately optimistic about the operations of his agency. He thinks that his company's rapid expansion (sales doubled during the last three years, tripled in the last five) will be slowed this year if not stopped. But he hopes that the momentum gained from excellent results in the last half of last year in terms of new business will carry them through this difficult period. His opinion also comes from the fact that D & G's client mix is heavily weighted in the mass-consumption-goods sector, where any budget reductions are likely to be small.

Mr. van Aal referred to a study made recently which forecast a global 10 percent to 15 percent drop in absolute terms for advertising in France this year. He pointed out that if such a projection proved true it would mean a serious indeed for it would mean an effective decrease of at least 20 percent when the correction factor of inflation is added.

Ultimately, a major downturn in advertising could be healthy for the industry, Mr. van Aal said, with only the more reliable agencies being able to weather the storm. In those agencies, one guideline would be more frequent budget reviews and adjustments than in the past. This would come about naturally because clients would be more careful and demanding than in

normal times. There might also be a switch in the media employed, with more frequent use being made of daily newspapers and radio, "opportunistic" media, where ad campaigns can be launched or interrupted quickly as conditions and needs dictate.

Worldwide, there are exceptions to the present crisis atmosphere in advertising. Mr. de Malherbe of Ted Bates pointed to Norway, Sweden and Spain as countries where the energy crisis and inflation have not led to a reduction in advertising billings. On the contrary, he said that expansion there was continuing. Sweden is entering a dynamic economic period compared to the last two or three years, while in Norway recent oil discoveries have made Stavanger "the Beirut of the North Sea."

As for Denmark, the Netherlands and Belgium, the situation is one of status quo, or slight decrease, while in Germany there has been an overall reduction in advertising budgets of about 5 to 10 percent.

Besides the European countries mentioned, Mr. de Malherbe said that Australia was another country where expansion and development of advertising had continued uninterrupted.

In the United States, things have been very rough for agencies, he said, especially those with major car and oil accounts. There has even been some stagnation in mass-consumption-goods advertising, but this important sector seems to be making a comeback. Mr. de Malherbe explained that

the reaction of agencies in difficulty has been to fire personnel and to watch expenses carefully.

Short Lead Time

A crisis in advertising naturally leads to difficulties for the media used. Some media actually seem to be benefiting, however, with radio being the best placed because of its relatively short "lead time," the amount of time required to start or stop an advertising program.

Daily newspapers, and to some extent weeklies and monthly magazines, could see an increase too, due to their relatively short lead times compared with TV, billboards and other advertising media.

An ad man, who preferred not to be named, said that in the past the firm (Régie Française de Publicité), which handles advertising for the ORTF, the French television network, has applied a rigid policy, usually accepting only yearly advertising contracts. But he thinks this policy will soon be made more flexible in view of the less certain revenues from advertising.

In a discussion of the general media crisis, Mr. Chevallier, of Publicis, said there was a trend away from slow-acting media such as magazines and billboards and toward use of media of the direct "hard sell." He listed radio and television as an example of the latter, and he also mentioned the new arbiters, covered bus stop telephone booth combinations, with their illuminated advertising

panels. This relatively new advertising medium is particularly effective because it provides a wide exposure and frequency of the "message."

Mr. Chevallier also noted that he feels amounts to a revolution, or rather counter-revolution, in advertising strategy through a return to local media at the expense of media with national coverage. This permits a restriction and better fixing of the "target" (public) to which an advertisement is addressed. He said that cable television, when it finally comes to France in 10 or 15 years, will provide another important outlet for local advertising.

Up to now Publicis has been a nationally oriented agency, but this year it is making a move toward the provinces, Mr. Chevallier said, to catch up with Havas.

The largest agency in France, Havas has had a near monopoly outside of Paris, but Publicis feels that its new methods and ideas will allow it to make rapid inroads in Havas's territory.

There have been calls for advertising to adopt fresh approaches to bring about new consumer attitudes and thereby play a role in solving the problems created by the shooting up of energy costs, over-consumption and waste in what one ad man called this new era of "unabundance."

A new approach has already appeared in the advertising messages of some car makers. A manufacturer with a wide pro-

duction range asks, "Crisis... What crisis?" in an attempt to persuade people to choose from among its smaller, gas-saving models.

Then there was the slogan adopted by an English utility authority: advising people to take baths together and save on hot water. But birth-control groups protested loudly and that program was brought to a quick end.

S. R. Green, chairman of SSC & B-Lintas, a leading international agency, feels it is necessary for advertising to alter its image. "We need to reply effectively to the questioning of the value of advertising in a socially conscious society," he said. Advertising's concern should be "about people and for people," and more effort should be directed toward the promotion of public-interest campaigns.

In reply to the question of advertising's role in society, Mr. de Malherbe said that in many advanced countries, "advertising is scandalously underused. Many national governments are not yet aware of the possibilities for advertising to educate."

He cautioned that he was not advocating the promotion of government propaganda but rather the educating of consumers in the use and conservation of energy and other resources. It can also help in the improvement of civic standards through campaigns for better driving, avoiding litter and other pollution, he said.

Mr. van Aal pointed out that campaigns in France for "national causes" (road safety, anti-

alcoholism, etc.) have up to now usually been donated by agencies and media, often on a one-shot basis. But he believes that politicians in France, in and out of government, have come to recognize the value of advertising as a means of "social marketing."

The use of paid advertising for public-interest campaigns is still in the infant stage in France. Mr. van Aal referred to paid advertising in the United States for such diverse things as anti-drug abuse and voluntary enlistment in the military service as examples of a promising new field for advertising agencies here.

Mr. Souhami also laments the fact that advertising is not playing as much of an educational role in France as it does in Great Britain, for example. J. Walter Thompson handled the government-paid program there to introduce the decimal system.

The French, through lack of understanding, Mr. Souhami feels, have made very little use of advertising in public service campaigns. But his agency helped the French government take a timid step in that direction by organizing last summer's (unpaid) love-your-police campaign.

J. Walter Thompson was approached by the firemen soon afterward. They wanted to pay for a "Héros aux pompiers" movement, but Mr. Souhami advised against that for the moment, suggesting that they come back in a year if they were still interested.

After Years of Disdain

French Expert Sees Oil Cost As New Boost for Solar Heat

"He had been eight years upon a project for extracting sunbeams out of cucumbers which were to be put in phials hermetically sealed and let out to warm the air in raw inclement summers."

—Jonathan Swift.

By Jonathan C. Randall

ODELLO, France (UPI)—Judging by the number of visitors who have made it to this isolated Pyrenees town in the last six months, Prof. Felix Trombe has improved on Swift's fanciful formula and found a practical application for solar home heating.

Prof. Trombe is optimistic that the quadrupling of oil costs will commit architects, builders, utility executives and other doubters to go beyond the polite but merely formal interest shown to solar energy experiments in the past.

As director of the government-subsidized experimental station, Prof. Trombe is nonetheless wary. He remembers the passing enthusiasm given to his experiments in 1956 during the temporary oil rationing experienced by Western Europe during the Suez crisis.

"Luckily, I had a serious scientific name," Prof. Trombe said in amused recognition of his past problems in persuading technocrats and economists to take his work seriously.

What now interests them are the professor's sun-headed houses, whose south walls are equipped with vertical solar-energy accumulators, which look like green-house double glass panels.

Concrete Walls

Energy is stored in the houses' concrete walls, painted black to attract the maximum sunlight. Heat from the panels is circulated throughout the house, by holes at the bottoms and tops of the walls. The apparatus provides three quarters of the total domestic heating needs; auxiliary heating

must be maintained for insufficiently sunny days.

Odello in the eastern Pyrenees is one of the sunniest places in France, with an estimated 1,200 hours of annual sunshine. But buildings in humid, cloudy climates, such as eastern France or Denmark, could count on solar energy for as much as two thirds of their heating needs, it was explained.

The explanation is that Odello may have abnormally high exposure to sunshine, but the temperature variation in the mountains—due to exceptionally cold nights—is much greater than in humid, relatively sunless climates.

In particularly sunny climates with less temperature variation—such as the French Riviera—the wall space devoted to the greenhouse-like energy accumulators could be reduced.

One of the aspects of solar energy home-heating is its potential effect on architecture and urbanism. In theory, individual houses or even apartment houses would have to be designed to allow each solar-energy accumulator equal access to sunlight, thus insuring less crowding than has been the case in much modern city planning.

In France, where domestic use accounts for up to 30 percent of total fuel consumption, acceptance of Prof. Trombe's houses would appear to be at hand. Still, he expects opposition from the government-owned utilities monopoly. Since 60 percent of the price of electricity is represented by the cost of distribution from a central power plant, he reasons that the company will be reluctant to allocate lines for unpredictable and comparatively low consumption, required only when solar energy proves insufficient to heat homes.

But enthusiasts are hoping that governments will be convinced by statistics showing that a kilowatt-hour of solar energy is between two and three times cheaper than a kilowatt-hour of electricity.

Bonn Opposition Drops Threat

BONN, March 31 (Reuters)—The Christian Democratic opposition party has dropped its threat to challenge Chancellor Willy Brandt's government in the courts over its agreement to exchange permanent political representatives with East Germany. Opposition leader Karl Carstens said that his party had withdrawn its legal objections on a promise from Mr. Brandt to make it clear that the establishment of missions in Bonn and East Berlin did not mean that the two German states had entered into diplomatic relations.

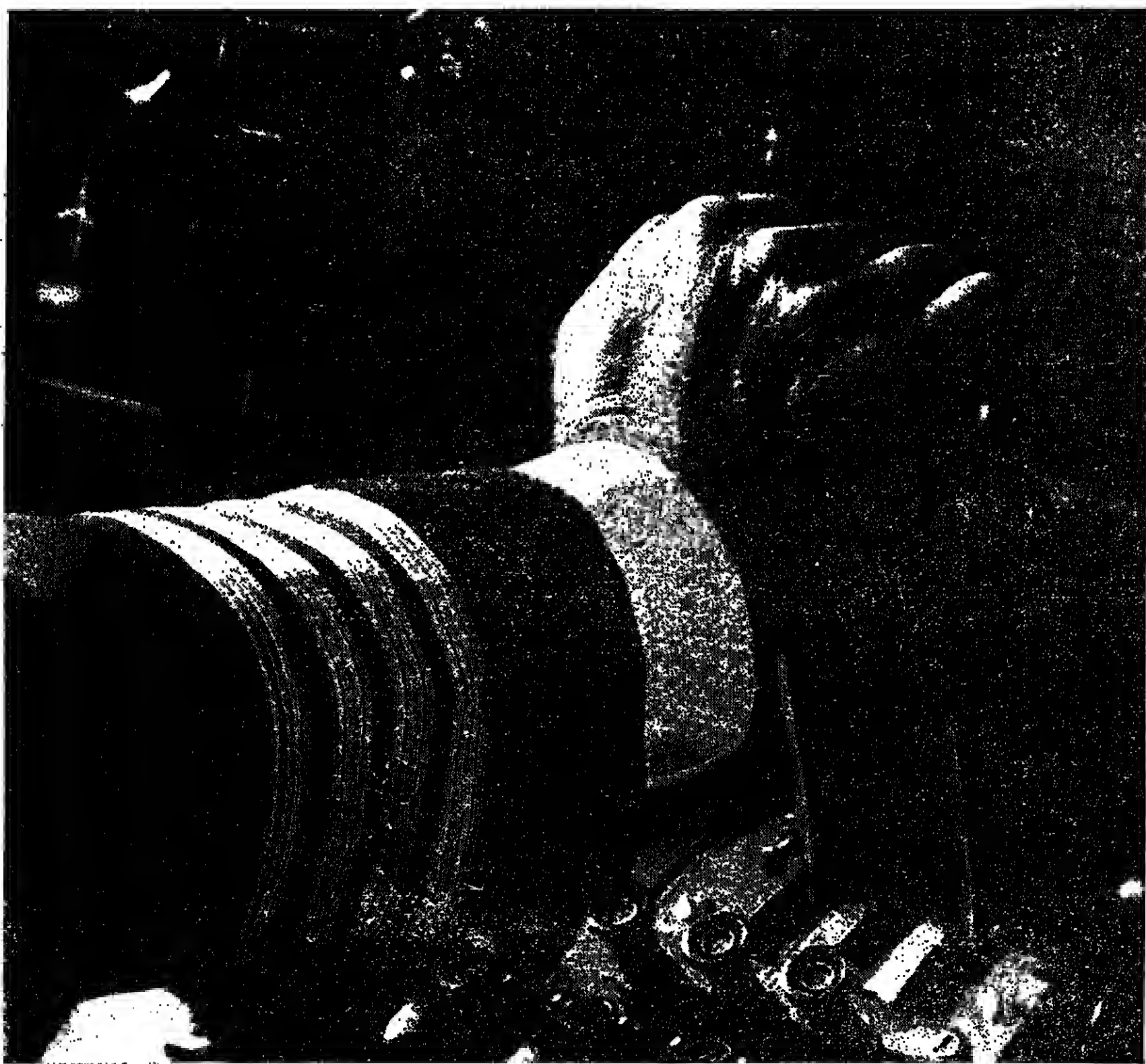
Messner Sees Clash With U.S.

PARIS, March 31 (Reuters)—French Prime Minister Pierre Messner warned Friday that the "battle of Europe" was still to come and that it would be fought over the issue of relations between Western Europe and the United States.

Addressing the Central Committee of the Gaullist party, Mr. Messner said that France could not resign itself to accepting American leadership.

His warning followed a statement by President Georges Pompidou to the cabinet this week that France favored consultations with the United States but that it would not grant America the right to supervise European Common Market development.

Mr. Messner noted that the Common Market was currently undergoing "a series of mishaps" but stressed that the real crisis involved relations with the Americans.



Now worldwide you'll be in good hands



British airways

BEA AND BOAC TOGETHER

The President and the World

That Mr. Nixon's troubles at home are still moving remorselessly toward a climax seems obvious enough. His Republican critics are becoming more articulate as their party's difficulties with the electorate are reflected at and in the polls. Even Vice-President Ford, chosen for that office by President Nixon when Mr. Agnew resigned under fire, has denounced Mr. Nixon's associates, notably in the Committee to Re-Elect the President, in terms that can hardly be reflecting on their chief. And the House is moving toward the drafting of articles of impeachment which, in its present mood, seem likely to win a majority.

Thus the pressures on the President to give up his office, both from those of his party who do not wish to go into the November elections burdened by a symbol of Watergate in the White House, and those who want the nation—and the President—to avoid the trauma of an impeachment trial, is growing. Whether there is enough concrete material in the evidence now being compiled or yet to be revealed to win enough senators over to voting to oust the President remains to be seen. Mr. Nixon has given no sign that he fears such a conclusion to his political career.

For the world at large the moral and constitutional issues which are major American concerns do not loom very large. For them, the American dilemma can be equated with that of a minority government in any national legislature, whose commitments in foreign policy must be judged by their ability to endure a parliamentary test. The positive exploits of Mr. Kissinger in diplomacy, which stem from the very practical root of knowing what real national interests and moods are in various countries, and

being able to reconcile them, combined with the fact of American power, still very great, have thus far prevented Watergate from crippling American initiatives abroad.

But there are signs of uneasiness abroad over the American President's equivocal position at home. If Mr. Nixon, for example, is unable to win congressional approval of the Soviet trade bill, without conditions that make it, in effect, of no value, will Moscow regard this as the failure to deliver on a quid pro quo for cooperation in arms reduction and in the Middle East? To be sure, congressional opposition to the trade bill has nothing to do, on the face of the debates, with Watergate, and is based mostly on reasons that are short-sighted or opportunistic. But Watergate has impaired the President's effectiveness with Congress, and with many public voices that might otherwise give vigorous support to his policies. So at long last, the great American domestic scandal is having a deleterious effect on the nation's influence outside its borders.

This could be healed in either of two ways: Mr. Nixon's retirement, compulsorily or voluntarily, from the White House, or the emergence in Congress of a new consensus on policy, suitable to the post-cold war, post-Vietnam situation. The President and Mr. Kissinger have done much to create a framework for such a unified point of view, and some genuine leadership in Congress could give it reality. After all, the obligation of Congress to work with the President when he is right is as strong as its responsibility for opposing him when he is wrong. And the need of the nation for a sane, consistent foreign policy is at least as great as its need to purge the corruptions of power from the White House.

Ethiopia at the Brink

Nearly a decade ago a young Ethiopian cabinet minister spoke eloquently to an American visitor in Addis Ababa of the necessity for modernization and reform in the ancient kingdom. The last great service Haile Selassie could perform for his country, the minister said, would be to pave the way for essential reform, including the political machinery required to manage the difficult transition to representative government after the emperor's death.

When he spoke those words, Endalkachew Makonnen could not have imagined that at 45—and with the emperor still holding on at 81—he would be called on to engineer those reforms almost overnight, harassed at every step by rebellious soldiers, students, teachers and priests and plagued, for good measure, by drought, famine and floods. It is no wonder that Premier Endalkachew was reported this week to be threatening to quit unless given reasonable time to carry out his reform program.

By granting pay boosts the emperor said the country could not afford Mr. Endalkachew was able early this month to quell the army mutiny that had wrecked the previous

government and brought him in as premier. But sporadic acts of defiance by soldiers and students continued; and this week brought a second temporary take-over of the northern city of Asmara by rebel officers and then a walkout by the Ethiopian Air Force.

At present, the army, navy and police remain loyal to the government. But the air force reportedly has refused to function until satisfied that the government intends to punish present and former cabinet ministers whom it accuses of corruption. The armed forces are thus openly split, with armed confrontation possible.

Mr. Endalkachew will have to maneuver with great skill to avert civil strife and chaos, let alone carry out sweeping reforms. The seizure of three Americans and two Canadians by Eritrean separatist guerrillas also added to his worries. The volatile situation in Ethiopia will inevitably affect stability throughout the horn of Africa. It also deeply concerns Washington, which has long maintained close military and economic ties with the emperor.

THE NEW YORK TIMES.

Senseless Quarrel

For 20 years the flourishing relations between Yugoslavia and Italy have served as dramatic proof that even the most intractable and explosive of international problems can be resolved with patience and goodwill. Now, in fits of petulance that defy rational explanation, Belgrade and Rome are restocking the territorial quarrel that once threatened to ignite great-power conflict but that they settled, in fact if not in law, in 1954.

The Memorandum of Understanding, signed in London that year with American and British participation, assigned the port city of Trieste and some land around it to Italy while allocating the rest of the disputed territory, known as Zone B, to Yugoslavia. Rome and Belgrade knew this division was final but, since neither wished to surrender legal claims publicly, the understanding did not fix formal boundaries.

Few international accords have worked so well. The once-disputed frontier became one of the world's most open borders. Two-way trade flourished, thousands of Yugoslavs crossed daily to work in Italy without visas, Italian tourists flocked to Yugoslavia's Dal-

matian coast. Italy reincorporated Trieste while maintaining it as a free port; Yugoslavia attached part of Zone B to its Slovenian Republic, the rest to Croatia.

In February, however, Yugoslavia set up new signs at some border points, proclaiming: "Socialist Federal Republic of Yugoslavia—Socialist Republic of Slovenia." A Trieste newspaper protested that this was claiming sovereignty over still-disputed land. The Rome government then felt compelled to remind Belgrade in a note that the 1954 memorandum had not resolved questions of sovereignty or permanent borders. The quarrel has since escalated with Yugoslavia even moving tanks to the border area for the benefit of television cameras.

The refueling of this dangerous dispute is far too great a price to pay for an artificial reinforcement of unity among Yugoslavia's diverse republics or a temporary bolstering of Italy's shaky center-left government with dubious support from neo-Fascists and monarchists. It is high time for cooler heads in both capitals to defuse the most senseless international quarrel of 1974.

THE NEW YORK TIMES.

International Opinion

Russia and Golan Fighting

To offset its diminished influence in Cairo, the Soviet Union has been turning more to Damascus and Baghdad. Since the visit of the foreign minister, Mr. Gromyko, to Syria, the war of attrition on the Golan Heights has become fiercer. Mr. Kissinger in Moscow tried to make the Soviet Union feel that its help was needed in the Middle East. But un-

til the talks in Geneva look like starting again the Soviet aim appears to be to make Egypt and the United States embarrassingly isolated in the middle of a partial settlement in Sinai. These are dangerous tactics. The October war involved Washington and Moscow more deeply and perilously than they had calculated. This could recur if fighting began again.

—From the Guardian (London).

In the International Edition

Seventy-Five Years Ago

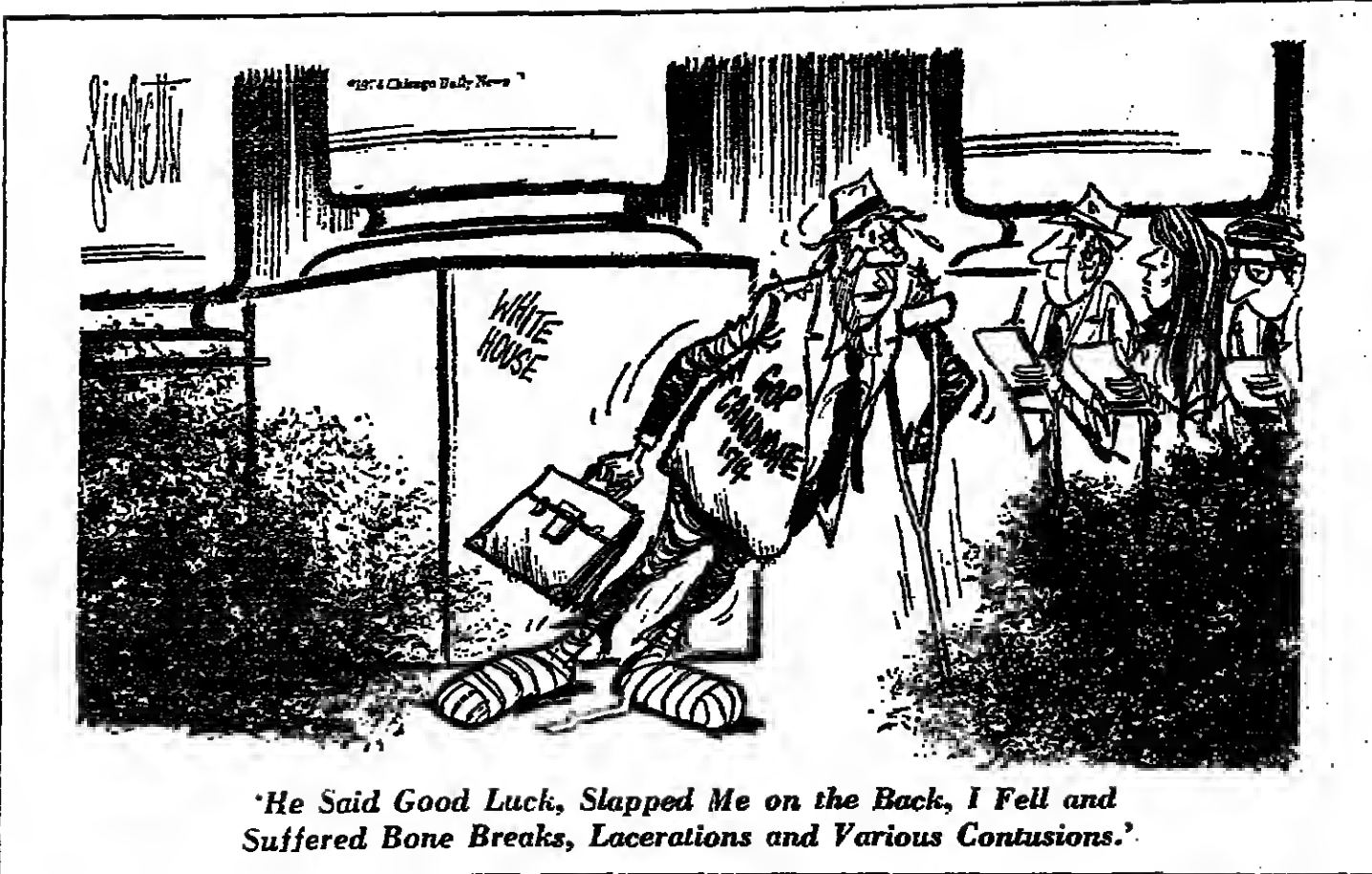
April 1, 1899

PARIS—The dreaded Castel Rocks, the reefs 20 miles northeast of Guernsey, which have claimed so many victims, were on Thursday night the scene of yet another catastrophe. The steamer *Siella*, steaming through a fog at over 20 knots, rushed on the rocks and sank within 12 minutes. The captain and over 50 persons went down with the ship, and only 100 or so of the 163 persons on board have been rescued.

Fifty Years Ago

April 1, 1924

PARIS—The attempt of four American heavy-lift machines to make the circuit of the globe has a bearing on more than one problem of aerial navigation. It is not so much a test of the flying capacity of the machines as it is of the capacity to coordinate flying with landing and supply agencies. The hard part of the feat will be forced landings in unfamiliar localities, the getting of fuel and the making of repairs if found to be necessary.



'He Said Good Luck, Slapped Me on the Back, I Fell and Suffered Bone Breaks, Lacerations and Various Contusions.'

If Impeachment—Should the Trial Be Televised?

By James Reston

WASHINGTON—A few weeks ago, it was a good bet around here that there would be no resignation by the President, no impeachment and no clear exoneration. In short, an indecisive mess. The outlook was that the Judiciary Committee of the House would vote for impeachment but fail to get a majority on the floor to send the President to the Senate for trial. But that was a few weeks ago.

Lately the tide has turned against the President. The Republican whip in the Senate, Robert F. Griffin of Michigan, said the other day that the likelihood of the President's impeachment by the House "seems much greater today than it did a month or two ago."

The majority leader in the Senate, Mike Mansfield of Montana, usually a cautious and compassionate man, told reporters that his information was that "the votes are there" in the House to impeach, and both chambers are now considering the practical—maybe even the decisive—question of whether the debate in the House and the trial of the President in the Senate should be televised.

'Dilatory Tactics'

In fact, Sen. Mansfield, who blames the "dilatory tactics" of the President for the present trend toward impeachment, told reporters at breakfast the other day that if the House voted to indict the President, the trial should start in the Senate within two weeks of an impeachment vote, and that it should take precedence over all other legislation and be televised from start to finish. The Republican whip, Sen. Griffin, apparently agrees.

These are serious men with great influence in their parties and in Congress, but before the suggestion of a televised impeachment and trial goes much further, maybe it should be examined. The feeling in this corner is that it's the worst suggestion in broadcasting since the singing commercial.

In the first place, the House and Senate prohibit live radio or television coverage of their debates. The arguments for and against this rule have been debated and even staged on national radio and television networks, but the rule has always been observed.

The argument for televising is clear enough: The impeachment and trial of a president are the "people's business." This is a special case that has happened only once before in the history of the Republic. It would be a dramatic lesson in democracy and therefore a useful educational exercise for the people.

More Confusion

Besides, this argument goes, if you don't televise the proceedings, the cameras will be in the halls of Congress focusing on any legislator who wants to get on national television, which means most of them, and they will probably confuse the proceedings more than they will clarify them.

Finally, the proponents of televising argue, leaving the debates to the newspapers is not really practical. Only two or three newspapers in the country will print the text of the debates, and very few people will read the transcripts even if they are published. So why not get a simple vote in the House and Senate to bring in the microphones and cameras to record the whole show? These are not frivolous arguments. They have to be considered with the utmost care, but so do the consequences of turning an impeachment debate and trial into a television spectacular. We are already a divided people on what should be done about this political and personal tragedy. There are few precedents or principles to guide us, therefore we are left to our instincts and emotions, and hopefully to our common sense.

Consider the scenario suggested by Mike Mansfield. The House votes to impeach the President, the Senate convenes two weeks later for the trial. The chief justice of the United States presides. Presumably, the President of the United States sits in the well of the Senate. Like an accused criminal in the dock, with the

Senate shrouded with lights, and the cameras turning, and the whole country and the world watching. The emotional tension on all the actors on this world stage would almost forbid careful and precise discussion. The pressure on the President would be almost unbearable. The reaction of members of the television audience is fairly predictable. They would be sending telegrams, expressing their views for and against the President, by the millions, threatening House and Senate members with defeat at the next election if they voted this way or that.

Even in the most calm and judicial atmosphere, the problem of members of the House and Senate in weighing the evidence, deciding whether the law has been broken or the moral code of the nation abused, will not be easy. And beyond that there is Mr. Nixon's favorite test of the past: What after all is the best

thing to do in the interests of America? But to do all this before the red eye of the camera, to sift the evidence and condemn the President on the floor of the House or Senate, knowing that you will be seen on Soviet, Chinese and European television tomorrow, is a complicated nightmare for every man who rises to speak. It is a troubling question, and we had better be careful about it—and careful in time.

The Heart of U.S. Darkness

By C. L. Sulzberger

PARIS—After the Moscow Kissinger talks, which suggested a slight sag, what strikes me is that at a moment when it may exercise more diplomatic influence than ever before in history, the United States is so blatantly faced with a crisis in its own leadership that it must be internationally mirrored.

Thanks to President Nixon's conceptual planning and the help given in this respect and in its application by the brilliant Henry Kissinger, our world position has not hitherto suffered material damage. Personally I don't believe in anticipating judicial decisions in the press and therefore assume the chief of state's innocence until he is proven culpable, should that occur. Nevertheless, it is evident he has not followed his own tenets of responsible leadership.

'Irony Ring'

Recently I reread notes on various conversations with him and I confess that some which once sounded inspirational have an ironic ring today. On May 19, 1969, the President told me the United States was suffering from a "leadership crisis."

He continued: "The trouble is that the leaders, not the country as a whole, are weak and divided. By the leaders I mean the leaders of industry, the bankers, the newspapers. They are irresponsible and un-understanding. The people as a whole can be led back to some kind of consensus if only the leaders can take hold of themselves."

The President said on March 8, 1971: "The fact is there has never been 50 great challenges to United States leadership. . . . The big question to my mind is: Will our Establishment and our people meet their responsibilities? Frankly, I have far more confidence in our people than in the Establishment. The people seem to see the problem in simple terms: 'By golly, we have to do the right thing.'"

"But the real problem that worries me most is: Will our Establishment see it that way? I am not talking about my critics but about a basic, strange sickness that appears to have spread among those who usually, in this country, can be expected to see clearly ahead into the future."

Mr. Nixon diagnosed the situation accurately although he failed to see that the governmental

establishment, as distinguished from the social establishment, was undoubtedly rotten. And his establishment had been selected to a large degree by himself or his chosen lieutenants.

Therefore it is fair to observe that, no matter what Congress ultimately decides about Watergate, had the President chosen his counselors more wisely, he might have elicited a better response from "the establishment" and "our people."

Instead, it has already been demonstrated that some officials selected to give meaning to what Mr. Nixon's first mentor, President Eisenhower, called a "crusade for our ideals," were morally disqualified. Gen. Eisenhower told me several times that he "wanted a moral cleanup," that "men have been appointed to offices who are not fit for those offices," and that "it would be a good thing to clean out the stable."

I remarked to Henry Kissinger (May 19, 1969) that I thought the moral decline of the United States was disturbing and the old idea of serving the nation was dead. Mr. Kissinger commented: "This is our biggest challenge, the loss of moral fiber. This is why Nixon worries so much about what he calls our leadership problem. There is a real crisis of authority."

The present secretary of state seems untarnished by Watergate, even if there have been complaints about his seal in checking the moral decline of the United States was disturbing and the old idea of serving the nation was dead. Mr. Kissinger commented: "This is our biggest challenge, the loss of moral fiber. This is why Nixon worries so much about what he calls our leadership problem. There is a real crisis of authority."

Fundamental Flaw

I continue to hope that when Congress has terminated its scrupulous investigation, it will find the President not guilty. Yet, whatever happens, there is no doubt that fundamental flaws in our system have been laid bare. Executive power is misused; elections are bought; favors are peddled. This situation is unworthy of a great republic and must be changed regardless of the outcome of the Watergate inquiry. I cannot but recall the comment of Chinese Premier Chou En-lai when I asked him five months ago whether he thought Watergate might alter our relationship. He said:

"You have had such things occur in your society before and undoubtedly will have them again." We must take every pain to eliminate the chances that this prophecy might be right.

Moreover, when all this was going on we were still allied with the Russians and were still (unnecessarily and foolishly) counting on Stalin joining the war against Japan. It is easy, almost 20 years later, to theorize that the Allies might have negotiated or bargained or temporized or offered to exchange one-for-one with Stalin. But would Stalin have played such a game? It was ghastly to send Russian citizens home to their doom. But what government leader in London or Washington could have knowingly condemned one of his own soldiers to such a doom?

PARIS.

'Operation Keelhaul'

I should like to add what I believe to be a vital amplification of clarification of the sickening

White House: Shadow of Impeachment

By Joseph Kraft

WASHINGTON—Suppose they called a cabinet meeting and nobody came? Well, smart guy, that isn't so funny; last week it almost happened.

The three senior departmental chiefs and two lesser fry were absent from the session which President Nixon held last Thursday. And that says a lot about how the shadow of impeachment affects the way Washington works these days.

Normally cabinet meetings are called to hear public witness that the President is on the job, tending to the national business in an orderly way. That was particularly the idea behind the meeting set for last Thursday. Besides the cabinet meeting, Mr. Nixon had a morning marked by absolute routine.

He announced the appointment of a new chief of naval operations and the expansion of his Committee on Mental Retardation. He met with the new American ambassador to Mauritania, with a departing White House aide, and with a Republican woman worker from Houston, Texas—one Mrs. Martin Beck.

It would be hard to imagine a schedule more perfectly calculated to convey the assurance of business going on as usual, unaffected by the brouhaha about Watergate. Just in case anybody had any doubts, the White House press spokesman, Gerald Warren, said that the cabinet did not discuss Watergate or impeachment.

So what did they discuss? Well, according to Mr. Warren, there was a general discussion of the President's program. The Secretary of Commerce, Fred Dent, talked about the trade bill.

The Secretary of Health, Education and Welfare, Caspar Weinberger, talked about the new comprehensive health insurance program. He also talked a little about the new welfare reform package which his department is preparing.

Finally another cabinet member mentioned with approval the President's statement the night before, that the 1974 elections would be decided by "peace and prosperity." Mr. Warren said that the cabinet registered general agreement with that proposition.

Well, how about the economy? Didn't they talk about that? As a matter of fact, no. George Shultz, the Secretary of the Treasury, was in Chile attending a meeting of the Inter-American Development Bank.

How about the Middle East and relations with the Soviet Union? Well, no. Henry Kissinger, the Secretary of State, was returning from Moscow.

How about national security and the volunteer army and troops in Europe? Did they talk about that? Well, no. Secretary of Defense James Schlesinger couldn't come to the cabinet meeting because he had previously scheduled a press conference.

Okay. So Shultz and Kissinger and Schlesinger have special responsibilities. But the rest of the cabinet is working as a team, isn't it?

Only Attorney General William French Smith had to address a graduating class at the FBI Academy. And Secretary of Transportation Claude Brinegar had to be in Mexico for what an aide called some kind of "international concourse."

Well, the President could have briefed the cabinet on the economy and national security himself. Couldn't he? Maybe. But there's a lot of evidence that the President isn't all that clued-in on what Secretaries Shultz and Kissinger and Schlesinger have been doing.

U.S. Inflation

For example, in an appearance in Chicago on March 15, Mr. Nixon asserted that inflation "plagues us but plagues the rest of the world even more." Apparently he was unaware that the latest numbers showed the United States doing worse than most of the other industrialized nations in the fight to curb rising prices.

At the same Chicago meeting he said that "We have had SALT-1 and SALT-2 and we will have SALT-3 in our meetings with the Soviet Union of this year." In fact, only the first round of talks on the strategic arms limitation treaty has been completed. SALT-3 is up for discussion this year and SALT-2 is not even in the picture.

But if Mr. Nixon isn't concentrating on the economy and foreign policy and defense, what does concern him? Well, the truth is that he's concerned—and rightly concerned—about just what the cabinet meeting was supposed to gloss over. He's worried about impeachment. He's fighting for survival, which is why he has left all the main business of state to his senior cabinet associates.

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Eurobonds

Sharp Rise in Interest Rates A Disaster for Bond Market

By Carl Gewirtz

PARIS, March 31 (UPT).—The bond market is in a shambles—the victim of rising short-term interest rates and jitters over the outlook for the dollar—the long-term market. Rather, the attitude now appears to be one of laying back waiting for rates to move even higher.

The currency woes are inextricably tied to what was happening to interest rates earlier this year, when a sharp U.S. rates rise led to a decline at a time when restrictive credit policies in Europe were keeping rates high. The dollar was also strong at that point, benefiting from the relative advantage the United States enjoyed in face of the threatened oil shortage.

Although many economists insist that the United States will fare relatively better than most of its allies in meeting the new dollar emergency from the huge currency increases being paid to producers—the recent move out of the dollar has been fueled by two considerations: That its value had risen too fast to be sustained and, thus, buying other currencies with overvalued dollars would be attractive. The higher interest rates available in all non-dollar currencies made the switch even more attractive.

The dollar is now so low on most foreign exchange markets that a move back into the U.S. market would be expected. And the sudden and very sharp increase in U.S. interest rates—pulling Eurodollar rates up also—has eliminated the unfavorable differential.

But the rise in these rates has been a disaster for the bond market.

The European Investment Bank's efforts to market \$60 million of 12-year bonds met with only limited success as the size of the issue was cut to \$40 million. The bank was out at a sharp discount of 307½ for face-valued bond bearing an 8 3/4 percent coupon. The bonds lost a point in the secondary market, where quotes ranged from

Still Top Concern
Inflation is still the most pre-
occupying concern of most people
and the rise in the cost of money
has not tempted investors into

Economic Indicators

WEEKLY COMPARISONS

	March 22 Latest Week	March 15 Prior Week	1978
Commodity Index	233.5	232.0	148.5
Currency in circ.	\$711,870,000	\$712,284,000	\$685,120,000
Total	\$119,515,000	\$118,266,000	\$122,252,000
Steel prod. (tons.)	2,675,000	2,639,000	2,984,000
Auto products	143,050	159,950	214,087
Dairy oil prod. (bbls)	3,068,000	3,083,000	2,321,000
Crude oil prod.	533,510	523,570	512,000
Electricity prod.	34,678,000	34,311,000	34,170,000
Rubber, vulcaniz.	215	205	167

Statistics for commercial-agricultural loans, carloadings, steel, oil, electric power and business failures are for the preceding week and latest available.

MONTHLY COMPARISONS

	*Feb.	Prior Month	1973
Employed	\$5,552,000	\$5,211,000	\$5,226,000
Unemployed	4,753,000	4,732,000	4,686,000
Unemployed per cent	46.2	47.2	47.4
*Personal income	\$1,093,500,000	\$1,047,000,000	\$977,400,000
Money supply	\$272,800,000	\$269,000,000	\$257,700,000
Cash price index	141.5	139.7	128.6
	Jan.		1972
Costs contracts	187	155	191
*Mfrs' inventories	\$122,050,000	\$120,780,000	\$106,157,000
*Exports	\$7,111,000	\$56,000,000	\$4,904,000
*Imports	10,000,000	10,000,000	10,000,000
*Trade balance	2,889,000	45,780,000	\$5,243,000

*000 omitted. †Figures subject to revision by source.

Commodity Index, based on 1987=100, the consumers price index, based on 1967=100, and employment figures are compiled by the Bureau of Labor Statistics. Industrial production is Federal Reserve Board's adjusted index of 1967=100. Imports and exports are compiled by the Department of Commerce. Money supply is total currency outside banks and demand deposits adjusted as reported by Federal Reserve Board. Business failures compiled by Dun & Bradstreet, Inc. Construction contracts are compiled by the U. S. Dodge Division, McGraw-Hill Information Systems Company.

R—Revised

with Foreign Trading Con-
sultants & Investment Co. was
up as were Morgan, Grenfell
& Williams, Glyn—two U.K.
firms actively involved in Arab
banking—who replaced S.G.
Baring and N.M. Rothschild,
who are usually seen in EIB
circles.

(Continued on Page 11, Col. 1)

Inflation—Prepared to Grin and Bear It

By John M. Lee

NEW YORK, March 31 (NYT).—There's an old joke about Gertrude Stein, who once wrote a poem about a rose. It said that if Miss Stein had worried about inflation, she would have written, "a nollar is a quarter of a dime . . ." Today, price inflation is indeed the worry of the house.

When one tires of worrying about Watergate, the future of the President and the Republic, or when one gets bored with the ongoing energy crisis, there's inflation, and it's horrendous.

Consumer prices rose in February at a 15.5 percent annual rate, about five times faster than last year. Wall Street and the bond market are cringing in fear of a higher interest cost. Consumers and businessmen alike are hoarding and scrambling for scarce supplies. Disinflation is growing with airlines squeezed between higher jet fuel costs and regulated fare ceilings, and the men who make their living fattening beef cattle are caught between the higher costs of feed and consumer resistance to comparatively higher prices for beefsteak.

What is this inflation we're all so mindful of? In an effort to understand it better, we've been reading "Inflation, A Worldwide Disaster," (Houghton Mifflin, 1973) by Irving S. Friedman, a former U.S. Treasury and International Monetary official. Although we're not exactly convinced of the feasibility of his single solutions (reorder national priorities in the major nations, curb consumption and government spending), there are some general points worth mulling.

Inflation, which Friedman defines as a "rise in virtually all prices simultaneously," has become persistent and widespread

and yet it is still feared by government policymakers far less than unemployment. Unless inflation becomes ruinous, as in Germany, the inflationary assumption in which governments, the education boom, mass merchandising and the cold war all played a part.

many in the 1920s, unemployment is much more dangerous to a politician than rapidly rising prices. Further, today's leaders still have vivid memories of the depression of the 1930s, when low prices accompanied severe unemployment, and they are rightly determined to avoid a repeat.

In consequence, Friedman says, we embarked in the postwar era upon a period of chronic excess demand, a period of over-con-

New York Stock Market

Brokers attributed the week's decline mainly to the news announced late Wednesday by the Chase Manhattan Bank that it had lifted its prime rate, the amount it charges its large corporate borrowers, to 9 1/4 percent from 9 percent. Several other banks followed suit on Thursday.

The market's biggest decline occurred on Thursday in reaction to the increase in the prime rate when the Dow-Jones average dropped 16.82 points, its largest loss in almost two months.

After the market closed Thursday, the Bankers Trust Company disclosed it would raise its prime rate to 9 1/2 percent from 9 percent, effective Monday. This news did little to help stocks the next day.

In the last few weeks, rising short-term interest rates have played an important part in depressing stock prices. The high rates make the cost of doing business more expensive and also discourage investor borrowing.

Some brokers predict the prime rate could go as high as the record of 10 percent it set last year before it moved lower. Other economic news this week was largely ignored by investors and traders.

The stock weakness this week was widespread, with most groups ending depressed. One of the biggest losers was the glamour sector, which was under considerable selling pressure.

Upjohn plunged 5 1/5 points on Thursday. The company said the decline apparently reflected renewed market concern over an unfavorable report about two of the drugs made by the company used for treating respiratory infections and for the treatment of colitis.

The great American experiment of tackling inflation with peace-

time wage and price controls is being abandoned after more than two and a half years of trying, and there is widespread disillusionment with the experience. We think this is unfair. The program has been unable to bring about years of wage, price and labor peace. As for grain—the worldwide upward swing in the business cycle seems to have gotten in the way of restraint. There is a school of thought, represented by Treasury Secretary George S. Shultz and others, that the difficulties of the last 18 months have been due to such an extraordinary combination of world circumstances that a program of controls was powerless to avert it. These circumstances included a bumper crop, purchases of American grain, the administered price increases in Middle Eastern oil and simultaneous boom in most industrial nations. The implication is that

This mood of acquiescence and accommodation extends to the consumers and voters. Everyone is against inflation, like sin, but no one seems willing to endure any hardship to bring any correction about. This was certainly the lesson of the recent British election, when the call to arms by Edward Heath, then the prime minister, fell on deaf ears.

Polls showed most people were opposed to wage inflation, such as the big wage increases demanded by striking coal miners. But few were willing to pay the cost of resistance if that meant cold flats, dim lights, short work weeks and lower pay.

The politicians are not entirely wrong if they perceive a public reluctance to suffer inconvenience in fighting inflation.

New York Stock Market

NEW YORK, March 31 (NYT).—Investors' concern over rising interest rates sent prices on the New York Stock Exchange down sharply last week in continued light trading.

The Dow-Jones industrial average, reflecting the weakness in the market, ended at 346.68, down 31.47 points for the week.

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Over-Counter Market

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